Government Employees' Retirement System Monthly Board Meeting

GERS Retirement System (Board of Trustees)

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0:00:00 Mena present, but the McDonald brother, trustee Smith, absent, chairman, present, Jeff, I present two absent. Thank you. So we have a Okay, do you have a quorum? Are there retirees on St. Coy? Would you like to make comments? There are no retirees. No retirees? No.

0:00:40 I'm sorry, you said no? No retirees, no. All right, thank you. Good morning, sir. Good morning. How are you done? The floor is yours. Good morning. I have a... State your name for the record. Oh, my name is Gustav R. Dowling, retired fire inspector. I'm a retired inspector, so I'm a retired, retired 10 years come this December. My statement would be is to find out if the board would have a problem if someone was supposed to lobby to find a reoccurring fund. It may not be a great multitude of money, maybe in the neighborhood of $3 million a year to be put aside for retirees annuity if doomsday comes or doomsday start to approach finally and instead of reducing the retiree's salary by 50% or whatever they actually receive, it can be lessened. But this fund will be suggested not to be placed with the regular funds that the retirement system accrues to put in investments. This fund will be put into something similar to a money market or something. It might be a smaller interest than the investments, but guaranteed because of the volatility of the stock market going up and down, it's on a rise now. But we had the subprime bubble, we had the silicone problems, 2008, and, you know, so every several years these things re-accord. And I wouldn't like that money to be caught up in that. So would the board have a problem with someone other than the board lobbying to get this money, finding the possible source that real cause and if they would be in favor of it, because I wouldn't like to go before the legislature with the idea identifying the real current revenue source and the board comes out against it. so that's one and two a lot of retirees are wondering about loans and my explanation to them because some of them still contact me because I was a past union president my explanation to them is why you don't do it but some of them have I'd say if you pay eight or six percent that's more than the market is paying and uh the guarantee to get the money if they die or they leave those who are active leaves uh stipulations can be set up where it comes out of the insurance the way it was done when it was going on for peteries and for active employees that they probably only could get maybe 25 percent of what they actually have in the system different to what it used to be 75 percent or whatever so So those are the statements from this retiree, St. Thomas Gustav Dowling.

0:03:59 Thank you for your time. Thank you, sir. Mr. Nepps, you want to address that? Well, the first one is, as far as identifying revenues, I mean, the JRS doesn't have any issue with anybody. I think the retiree group would be a good group to lobby the Senate, but that's out of our hands. The legislature is responsible for finding the revenues, but I don't think the board would be in opposition or the system would be in opposition to any retiree group lobbying the legislature.

0:04:42 in regards to the loans 25 percent i don't know what you know we got to think about the administrative costs also to service these loans loans units are reducing by 2023 the loans would be all loans would have probably been expired except in mortgages so there would always be an overhead if you just servicing loans and not you know issuing 25 percent some people may not even qualified for the 25 percent because of the prior obligations and also you probably would have to to have a IT course involved in that to reprogram the v3 you know it's it's a lot of things the board has already suspended the loans I don't think we should get caught up again with issuing an avi loan at this time we're in a downward spiral and we need all monies to stay to pay for benefits at this time you may get some interest on it yes 8% or whatever but I think we should be concentrating on the administration of benefits instead of getting caught up with loans again and then we have to go reprogram the v3 and to a cost plus the administrative cost to service these loans it's my position on that the first one i don't have any problem i think it's a good idea but you know we need all funds as as to maintain the retirees i don't know what three million dollars is going to do in the market uh how much you're going to get it's 20 at least 21 million a month for benefits so any amount counts but you know we thought we need big money

0:06:37 and like i said mr gustaf mr darlin i think the the retiree groups will support you but it means you need to find a senator who's willing to um to sponsor the bill and identify the source correct but there was also a second part of the first question not to commingle the three million dollars if you were to be successful but seems that now we are not really making any major investment in stock market now because we understand the the way the stock market operates and we have what's called now it's a dynamic asset allocation we've been advised by the by the consultant to take most of the money out of the out of stocks so we are trying to maintain as much cash as we can following me yes but the basically the other part was for that money to be set aside in case i understand cut comes i must not the court don't be as so fair that minimize the the maximum cut that would be suggested and as far as lobbying the legislature I know that and I have already talked to some of the majority senators and that's why I say it's not a great reoccurring revenue source it's one that's going to be set up and it's going to be coming because Because 100% of the money from any revenue source that is found comes to GRS, the general public will scream about that because they are not, the general public is not 100% in GRS, there's only a portion of it.

0:08:40 So that's why I said about $3 million a year, maybe more, maybe less, and it depends on the several funding sources what kind of revenues are generated is that i just mr chairman i don't want i just want to see something here our liquid cash now investments about 500 000 500 million we're not talking about our uh real estate so our cash and and our other liquid um assets about 500 million dollars. You have currently marketable securities and cash, which includes our liquid assets, so about 550 million, correct? Okay, fine. And our payroll is how much? Is about 250 million with expenses a year. We have two years left, Mr. Gloucester. So think about it the three million dollars if we start we'll have to be spending it before 2023 if nothing is done yes contributions are coming in yes but they're not coming in the way they are i'm just trying to give you the worst case scenario with the liquid assets that we have outside of the buildings and haven site and all of that stuff we only have like two years if you think about it And suppose the market goes south. Yes, it's commendable what you're saying. However, I don't know if you'll be able to set aside because we'll have to go in and take those monies anyway. And the money market is only paying, what, 2.3% now? About? Mr. Chair? Yes. I think Mr. Dowling's main recommendation was the $3 million would help to show up the shortfall if in fact that the plan becomes ensouled. Right. So you're thinking more of the line of whenever we plan two years, five years, one year, and you guys have to take a haircut. Right.

0:10:42 The three million dollars would take a shop with the bar, we'll take a shirt. I think that's how he's approaching it, Mr. Nibs. Like a supplement. Like a supplement for the shop. Well, I don't know how much percentage he's going to add. We've got to think about this. Three million a year for the next, let's say, three years, that's nine million dollars. Number one, one, two, okay. Okay, okay, okay. We're not going to discourage you, Mr. President. We will work with you. You want to say something? No, basically what I was going to say was the fact that I thought he was looking at something to add to, if they had to cut the supplement and not to replace. That's what I was going to do to make sure I clarify.

0:11:26 Thank you, sir, I can work with you. So if you guys do appreciate you, said you spoke to some senators if they can identify that fund keep in mind that it's not going to generate any income interest on it because we're gonna put it it'll just it probably just make enough money to sustain it so you don't lose it because you know the bank likes to take money when you don't develop activity same thing for money market if you just get 2% but that won't but if If you can, if you get them to do it, we behind you, at least I am.

0:12:06 What I can see happening, you're putting more pressure on the central government and the plan sponsors because they would have to, if you don't use that money, they're going to have to pay more to keep the hundred percent or less. That's my thinking. I don't know. we don't any monies will take but um i i i don't see it the way mr dowling is saying it maybe i have to think about it but i think we're going to be hitting shortfalls before 2023 if nothing is done based on the mr um what mr uh mr can i make a recommendation as mr dowling has more conversations with his senators and the dialogue he gets it back to you and tell you give you some updates sure and I think that the chairman support thank you and it shows the senators that other that we're the community and retirees are trying to come up with solutions rather than everybody's looking at the leak or or glaring in the blame this is what we need to do so and since they're not doing it you guys are come for your brother all right all right you need approval of the secretary minute for 28 march 2019 mr chair i move that we accept the secretary's minute

0:14:03 You have a second, but I do too late. Why not? I have a second. Trustee Caldwell. Yes, because it will actually go absent. Trustee Liger. Yeah. Trustee Maynard. Yes. No, I did. I'm staying. Because I was like, I read this one like I wasn't, I wasn't there, I was like, I didn't.

0:14:35 Okay. Okay. Absent. Hi. Do you have my like chairman calendar? Yes. To chair four years, two absent, one abstain. Okay. But you know, Mr. Nameson, I read your minutes. I was like, but wait, I didn't attend that meeting. I didn't make or second any motion and then that's not like me my voice wasn't heard then I realized why because you notice I wasn't I was like I wasn't it all right so minutes have been approved communication and cause finances It's addressed to Mr. Lawrence J. Koffer, Executive Director, V.I. Water and Power Authority, Charlotte and Lee St. Thomas, U.S. V.I. 002041452. Subject, Outstanding Employee and Employer Contributions Okay, Mr. Koffer, we bring to you your attention a very serious matter. The BI Board and Power Authority has not related to the GRS the employee contribution deductions and employer contributions for pay dates December 27, 2018 through March 21, 2019.

0:16:09 Based on previous pay dates, amounts, we estimated that BIA Cooper has not remitted employee contribution the amount of $700,376.98 and employee contributions in the amount of $1,230,178.49. Please provide us with the actual amounts. With the interest and late fees, The total estimated amount is $2,167,447.16. See schedule attached. Please have your financial officer, Deborah Gott, please contact Dennis Jerrymeyer at 340-776-7703, extension 4122, or djerrymeyer at usdigrs.com to arrange submission of a realistic payment plan to remit the employee deductions and make payments on the outstanding employer contributions. Sincerely, Austin and Liz Administrator CEO. Attachment, copy to the Honorable Albert Bryan G. Gard, Jr., Governor of Virgin Islands, the Honorable Dona Fred Gregory, Chairman of Committee on Finance, Cathy M. Smith, Esquire, GRS General Counsel, Ishmael Myers, Jr., Esquire, GRS Deputy General Counsel, Danny Jeremiah, GRS Chief Financial Officer, Deborah Batliff, WAPA, Chief Financial Officer.

0:17:35 letter dated April 12th, 2019, Mr. Austin L. Nibs, Administrator, CEO, Government Employees Retirement System, GRS Complex, Suite 1, 34-36 on Prince's Guard, St. Thomas, Virgin Island, 00802-5750. re-outstanding employee and employer contributions due. Dear Mr. Nips, thank you for your letter of April 8, 2019. We are pleased to include here with our check in the amount of $1,872,823.66 covering employee and employer contributions for payroll periods ending January 10th through March 21, 2019. As I am sure you are aware that Virgin Islands Water and Power Target continues to be severely handicapped by its high level of receivables. Throughout 2018, non-government receivables were more than $21 million, while Virgin Islands government receivables exceeded $30 million. We regret that during this time, WAPA was unable to make regular payments of the required government employee retirement systems employee and employer contributions. and we appreciate your understanding no doubt you have noticed from the schedule of missing contributions accompanying your life whopper recommended a normal two monthly payment program in december in an effort to catch up we increased our payments to three from january and now we proceed from the last draw from the community disaster loan program we are relieved to be able to reduce their abstinence to just the April 4th pay period. We expect to pay this amount of April 18, followed by the April 18 contributions on April 25, 2019. Accordingly, please allow us to defer the payment of interest and fees until May 9, 2019. Sincerely, Lawrence J. Koffer. Copy the Honorable Albert Bryan Jr., Governor of Virgin Islands. The Honorable Deborah Fred Gregory Chairman, Committee on Finance, Cathy M. Smith, Esquire, GRS General Counsel, Ishmael Myers, Jr., Esquire, GRSW General Counsel, Dennis Jeremiah, GRS Chief Financial Officer, Deborah Gatlik Walker, Chief Financial Officer.

0:20:02 Letter dated April 16, Mr. Austin Nibs, Administrator CEO of Government Employment System, 3438 Conference and Garda, St. Thomasburg, now on 00802. There, Mr. Nibs, this current pundit serves as an official request for your attendance in the upcoming Finance Committee meeting, which will be held on Tuesday, May 7, 2019, at 9 a.m. at Earl B. Arthur's Legislative Hall to give testimony on Bill 33-0031. Bill 33-0031, an act amending Title III, Chapter 25, Subchapter EI, Section 581 of the Virgin Island Code relating to evocation payments for retiring teachers and other school personnel, proposed by Senator Dwayne DeGraff. The deadline to submit your testimony is Monday, April 29,

2019. We look forward to your timely response and seeing you at the meeting on Tuesday, May 7. Should you have any concerns or questions, contact Mone S. Edwards at 340-693-666 via email at m edwards at legbi.org kind regards donna fred gregory senator 33 33rd legislature that ends the correspondence hello yeah yes mr names um I'm sure you haven't finished your response. You haven't written your response to the senator's request of you. Now I have it online, but I don't, we didn't respond as yet.

0:21:58 But you should let him know we get. We met with the senator a couple weeks ago and he came and he spoke with us about what he wanted to do. We are not in favor of it, and we gave him the reasons why. And we have an outline, but I haven't put it down as a testimony as yet. Because I have, that's one of the things I want to talk to you about later today.

0:22:31 I was going to ask you to have a few minutes of conversation with me. It's going to create a lot of problems for the system. It's going to create, it's, that's a conversation you're not going to have union president to GRS administrator. Does it appear as though he's trying to force GRS to pay the annuity within a certain period of time? Well, what he's trying to do, yeah, as you know, teachers don't approve annual leave. So he wants us to give him an advance.

0:23:09 Number one, advance. V3 cannot calculate anything unless you retire it. So how are we going to do this advance? Outside of the system? My recommendation a few years ago, because of the way it's set up, we don't get annual leave. And many teachers for decades never stay home home when they're sick unless they are virtually falling out they go to work so many teachers retire with thousands of sick hours even though when they're getting close to retirement they would donate to anybody anybody asks for donated leave we would give it to them what I made a recommendation about 12 years ago and then we were talking because I know was it 12 or 8 when they were doing the they were trying to reduce the amount of hours that you can transfer for your annual leave into your retirement for teachers to be able to do the sum sick when we had that conversation several years ago good transferring the sick just like how you did use the sick as part of your calculation just the way that regular general employees do their annual the 480 or for whatever amount of hours they use their annual let the teachers use sick for that since we don't accumulate annual leave because many teachers do not take the sick I mean even now after three major surgeries and donating to all my friends I have almost eight I think 1,400 hours left so upon retiring I'm at I forget I basically have to dole it out in order because we can't use it we can't do anything with it and when I you know you go to a classroom most teachers don't take even after very few teachers take more than two weeks six

0:25:03 and what even maternity leave they're coming back early because they don't want to bear from their students that long but they get nothing for that time and that dedication because you can't use your your sick to convert for retirement like the other employees use their annual given a advance wouldn't do anything except cause of the tree issues because what's this it what what are we working on now almost 90 days I think a few teachers got theirs within three months last year so we're getting closer to where we want to be after retirement get your first annuity so the advance will come when the week after they retire well I know no retiree doesn't get pay outside three in order We should not be going and paying a teacher like a vendor. We don't want to get into that business.

0:26:03 I think the solution to this is preparing the NOPA. When they know the teacher is going to retire, and the last day, submit that NOPA, have that NOPA to us so we can start the process. The problem with education is the NOPA. We have expressed this to the governor. I think it's getting a little better, but the NOPA is the trigger. If we get that NOPA, we shouldn't have that problem with these teachers.

0:26:34 So is there something you're going to still discuss in the school? Oh, yeah, because I still want to do that. I still want them to be able to use those extensive sick hours as assistance to retirees. Well, I see a discrimination issue there. But we don't get annual. well yeah but you know how you know I mean as much as we don't get giving us a little something is not gonna hurt but that's a conversation for us outside of this portion here thank you all right you all discuss that and good luck mr. Neves on that who got some of those kind of position in here you know some us I know some as I am training and I do it like I'm making I'm making posters and all that wonderful stuff I want you Can you show me a teacher who gets a full summer off?

0:27:24 Please. My position is, the system position is that we cannot process any type of payments outside of D3. It's going to create, if we do that, it's going to create, we don't have to spend a whole lot of money making changes and it's going to create a lot of problems. Get the NOPAs in so the teachers can be paid. And number two, I don't think the auditor is going to be in favor of something like that. NOPA, we need to expedite the NOPA process out of education. That is our position. I'm not going to get involved with the sick leave issue. What happens if the legislature passes the bill?

0:28:03 They passes the bill. How are we going to pay them? I don't know. It'll be one of the thousands of bills that are unpressible. Well, I'll come to the board. I'll ask Vitek what is going to happen if we do this. Then you can get in more problems. We have problems with V3 already, some problems. And then they will tell me how much it will cost to do the fix. And we submit the bill to the legislature. Can we submit the bill then to the legislature? Because they provide the bill.

0:28:32 But then you're slowing down on the priorities that we have. You know? I understand the plight trustees I understand the plight but what I'm saying to you the fix is the NOPA the NOPA process someone knows they're going to retire don't wait until two months or three months before the summer time then you say I'm going to retire then you have a problem with getting the NOPA and then you got to calculate their time To me, you should know at least a year before so that you can determine, number one, the annual statements are there right now. You can determine if you owe any contributions or if the employer owe any contributions. We start working on it. We'll draw up your case and tell you what have to be done, what obligations you have. And then the NOPA process. If those NOPAs come in within 15, 30 days, we shouldn't have a problem. And I think Trustee Callum can see that we are retiring individuals, you know, faster now.

0:29:40 I just said that. But one of the things that I'm saying, most of my teachers will come in here and they get their projected date from GRS. And as soon as GRS gives them that date, their analyst gives them that date, they type up the letters. I have letters now from December letting me know that these people are retiring at the end of the school year. so though the department knows it because they turned it into the department and that's the thing with last year because they come to me for they bring when they write their letter the process is you give them you write it to the Commissioner and you give me a copy so I know that these are amount of people so that's why I told you that I have so many this amount of people who are planning to retire so the retiree role is going to increase by this amount of teachers that's why I was able to see that in January so they know that these people are gonna retire the same thing last year but then they that was done and these are people who have worked for no other department that's why I kept asking you if they've worked nowhere else for these 32 years it should not take that long and then you did tell me once you get the NOPA and so I kept telling them just track the NOPA keep calling and asking if your NOPA has been set so that's some of the things I will always recommend because if I have only worked for the Department of Education for 32 years and I told you that I am retire in jack december i told you this is my last year i've come to grs i have done the anders the analyst has told me what i need i turned in my letter and i retire as of august 28th or whatever that last day of the former school year is i should not not have a retiree check in january yeah you're right with everything you're saying and like they have the annual statement is there now we have a project coming down where we're going to send them out now physically because it's online but people are not just looking at them we're going to take an effort to send them out so everyone all tier one people can have their annual statement you start looking at that statement check to see if you have any missing information in there we had a project for two years that showed up all of that missing information that's why the the retirees are retiring you know sooner now because but you need to any member needs to take the initiative to look at the annual statements and let us know if you see any problems to see if you owe any contributions and what is owed by

0:32:01 this day your plan sponsor on your behalf and we promote it all the time and i when i have miss martin and um julia they should do those presentations so they know for for teachers over here i let them know two and a half years before when you're thinking two and a half years go in and visit grs i've been saying that since i became on since i came on the board so everybody comes in and that's why the teachers know where they are and that's why they are anticipating when they come in and they've been processed that they shouldn't i tell them you shouldn't have to wait so that's why i start giving names and you know one of our reforms which the board had approved was one year before we wanted it to make it law one year before you retire you need to come in and and my teachers come two and a half and there's some pension system who has that requirement and it's only to help the member you know but then there's some senators who are against it you can't force your body to turn whatever you know that type of thing but we are just trying to make sure the process was clean and smoother you know so anyway in we will um but we are not sure we are in opposition to it because for reasons and we will cite the reasons why it's not a way against the teachers in any way we just it would create a nightmare for us in in grs mr jerry meyer is sitting right there i mean all right thank you sir all right chairperson's report i just have two comments One, on March 19th, I was invited to speak to the St. Croix Retiree Group, and I was excited. I did a lot of homework. I got information from Mr. Henderson and Ms. Glenn Denning and somebody everybody could get to make sure that I had as much information as

0:34:12 possible about our system and to my disappointment ten retirees attended ten and I don't know if the number was that small because it wasn't Mr. Nebs given the presentation, or whether it was simply because it was World War Calendar, the doctor giving the presentation. It was really, really disappointing. I was able to sit at the table with 10 individuals, and we had a heart-to-heart discussion. They understood many of the problems that the system has been through and understood why the system is where it is and certainly not and they were they were pleased to understand that the system was not where it is because of any bad investments because I was able to show them the the amongst the money that the system made from its investments. I want to thank Vice Chair Calvert for chairing the last meeting on 325 even though I attended by telephone it was 630 in the morning where it was so it shows my dedication to this to this system I was probably asleep half of the time, but it was tough doing it by telephone at 6.30 in the morning. I try not to do that again.

0:35:54 Administrators report. Thank you. Okay, last month, well, significant part of this month has been spent. meeting with Lazar, an inside peek in regards to the evolution of some legal issues. But a lot, a lot of time, between August, April 4th, I'm sorry, April 17th, just about every day with this issue. On April 4th, I met with Senator Dwayne Draft in regards to that bill that we just discussed at length. And I let him know, we let him know. I met with legal counsel, him and his staff. Let him know our position and we also put that in writing. On April 4th, I also met with Jack Pickle. We got in Chris. He died with the Caribbean Hotel Association Symposium Group. Yesterday I attended the CNW LLC board meeting. It's good to report that the central government is doing well with making payment on the deductions. the deduction files receive so we have received the deduction files through April 11th which is good so they're like one day behind and files are posted up to pay date 323 so they have caught up and they're paying you within that 10 days according to the law and we have received the

0:37:44 payments to pay date April 11th. As you can see a V3 snapshot still have some issues outstanding correct within the V3. As you see 148 of the 202 are issues before the GRS that needs clarification, pending or under review by the client. This is where V3 has done whatever they have to do it's returned to us we have to sit down and determine if it works there's no update on on the VISA and also on the accent 128 issue refunds I sent her a revised should have been sent out a revised schedule of the refunds. There were some errors and there's a little challenge for the member services.

0:38:46 I must say I sent it back and forth because the numbers to me were not the way that they should be from an accounting standpoint. And there was an issue, the initial schedule schedule on page four that's incorrect that was sent in and i sent an addendum a revised copy yesterday which shows the i'm not sure if we received it yes so i need to pay specific attention to this going forward i also need to if you're trying to tie this into the into the treasurer's report the treasurer's report is on a fiscal year basis and this refund schedule is on a calendar year basis so you're not going to be able to tie it but as you can see the difference in the amounts in the pay to the calendar year 2019 is about 300 and something thousand difference so i just want to make note of that so i'll be following up and trying to get better numbers on this and determine what's the reason why the numbers were not correct the first time but as you can see members who are not vested are leaving so far from January through March We have refunded $1.4 million to members who were not vested and left the system. So it's happening and it's going to continue to happen if the system is not showed up or the plan sponsors does not have to give assurance to these members that something will be done to maintain the system especially those that are leaving young people are leaving the system so that creates a cash flow issue for us also retiree applications

0:40:57 from 2012 through January and through April 30th because the payroll was done for already that's where we have the numbers April 30th there are 247 applications pending the majority of the application pending as you can see is in 2018 we see 400 applications 182 in St. Thomas I mean 218 in St. Thomas 182 in St. Croix and of the 400 we are paid annuity to 258 so we have 142 again reasons why NOPERS I do have a matrix that you don't have but it tells me the reasons for every one of those issues 247 what's the status and the reason is why and if I looked at it the majority of it is NOPERS so we work in trying to work with all the agencies to get the NOPERS in and time so because we cannot process any annuity without the retirement NOPERS our calculations have be done okay so we working very closely with the agencies as of April 15 payroll there are eight thousand six hundred and fifteen retirees so far from October through April 15 we have cleared out with pensioners about two or three pensioners, $135,082,898.36. So from October 1 through April 15, the GRS has paid out to retirees and the beneficiaries, $135,082,898.36. From that period, October 3,

0:43:12 April 15 we have added 265 individuals to the payroll for that same period we have deleted 164 from the payroll those members that have passed on our gross payroll for 10 for 15 was 10.5 million dollars so we are now paying out about least 21 million monthly pension our loan portfolio as you can see is decreasing those are the personal loans we are now down to 5292 units and 99 more years we still have 99 mortgage is and so the total uh loan units we have in portfolio as of march 31 is 5391 now by 2023 those 5292 personal loans would have expired so we shouldn't have any more personal loans after 2024. As far as the White House is concerned, the buildings is pending elevator replacement and follow-up on thermal treatment. Yesterday, Senator Gittin stopped me because, as you know, the legislature wanted to rent the building. We quoted them our square footage, that i don't think it was within their range and um he met me uh yesterday and asked if he can do anything to assist them because where the employees this thing i guess is still have issues in all and situations like that so i told him i look at it but dylan would have to come without the elevator at this time and i i posed to him the issue with ada compliance he said that shouldn't shouldn't be an issue. I suppose we need to do follow up on some thermite treatments. Although we did have the whole building subterranean and the windows treated, there's some thermite has come back. So I quoted them another price yesterday and I'm awaiting their response to me. The other buildings in St. Thomas, Custom Builders is currently working on the third floor the west side exterior skin of the building that was

0:45:47 compromised during hurricanes that's on the personnel division of personnel side the second floor that's on the third floor the second floor exterior work is scheduled to begin shortly we don't have any updates on the other repairs and replacement that as you know the contractors are very busy. There's a contractor that wanted to do it, but a lot of hurricane work is not permitting them to give us the attention that we need. In the St. Coy building, there was a new quote from WW Construction Corporation for the three buildings for hurricane damage because fencing was not included in the code. Yesterday, when I came to St. Coy, I saw something that I didn't like. I know that our tenant, Plesson, has asked for reconsideration in parking spaces, which was an option in their current lease. we did give them six more parking spaces to the east side that's on the first bank side and they're using that but I saw where now they were parking by the flagpoles and the grass and all kind of big trucks and jeeps and all kind of stuff back there so we have a letter that I'm going to be sending to them we have already made signs put the signs up And I don't see anybody on the grass. Yesterday was like, you know, I don't know, anybody parking where they wanted to park.

0:47:34 So we put up two signs. I don't see anyone there. I just looked out the window. However, we're going to follow up with a letter to cease and desist. Because it did come to me through Ms. Potter that he was asking to park on the grass and my response was no. If you have seen the situation here yesterday, it's very tacky. It takes away from the building. You can't be talking in the grass by the fire poles and, you know, people doing what they want to do. And if you're going to do that, then you have to pay us for more parking space. you just gave him okay so anyway I don't know he may write a letter to the chairman we'll wait and see but I am going to tell him that he has to cease and desist from that okay rental collections through March we have collected $109,403.43 yesterday In all of our rentals, we have collected $722,685.81.

0:48:40 We had our rare ages through March of $29,503.44. As you can see, my note number one, the DOP has paid our rare ages of 13 out of that 29 of the rental. and the balance, I think, is the same lesson and a few others. Electric, so for the month of March, we have collected $1,263.17. Total year-to-date, we have reimbursed $284,297.90. And the rare age is $162,788.31. You can see my note, we have paid an electrical average of $23,361.67 out of that $162. The balance is the Department of Justice.

0:49:48 Our insurance claims, we are doing pretty well with our insurance claim. We are waiting right now on some information on the GRS complex and Havenside Mall. We have given that information and we have directed them to WICU to get some of that information. New development, we determined that all Category A work done by WICU on behalf of GRS should fall under GRS's project worksheet and not WICOS because all insurance is under the GRS umbrella and not WICOS. And we are working through this new determination by FEMA. As far as our VTR IT, we are doing pretty okay. We do have our new servers and load balancers and everything been installed. We also, as you know, we have went to the cloud, some of our modules, backup solutions, so in the event that we haven't had this traffic situation, we will be able to go to the cloud and retrieve that information. Our PCs, we have installed PCs, new PCs in all of our offices, St. Thomas and St. Croix. Going over very well with the staff, all of our desktops.

0:51:23 Annual board with three, we are able to secure meeting space in St. John at the Western. We don't have any space plus any meeting space, no rooms. We also try Margaritaville in St. Thomas and Great Bay, which is probably the way now, the former way now in Chile Bay. They also do not have any meeting space. I've asked Ms. Cooley to inquire with Carambola and I also had an opportunity to speak with Mr. Carrington yesterday and asking to see if we can be able to do it at Karambola from July 10th through the 12th, I think. That's the date. So we're just waiting to see what's happening right now.

0:52:13 The 60th anniversary is October 1, 2019. 60 years since GRS has been in existence. As you know, for the 50th, we did have a very intensive celebration. We're going to scale it back some this year. We're not going to be a problem. We don't have the funds to do that. But it's going to be very informative. Hopefully, we'll have a program in both districts. I can't leave out St. John, but it's not a district, but it's an island. But if we can do it electronically, maybe from here to St. Thomas, we're going to try it.

0:52:58 We're trying to come down. It's ringing in St. Thomas. No, it's Mr. Smith. Somebody calling it? Mr. Smith. Hello? so if the board has any any we will be setting up a committee to like we did in the 50th 50th anniversary this is going to be going through the communication and member education like it the last time but committees were set up on both districts ten years ago and we don't have if not a full day of activities activities where we invite the members to come we'll have a program but it would not be as extravagant as the Hi, I'm trying to call in to the...

0:54:02 You're in. You're in. Hello, ma'am. Good morning. Good morning. We have Trussie Smith on the line. Good morning, everyone. We will not be at the provident, like I said, like the last time. Mr. Chairman, that ends my presentation. All right. Thank you, sir. Trustee, any questions for the Administrator?

0:54:37 Yeah. I have a couple of questions. Mr. Nibs, did you say that there were 247 retiree applications pending? Is that the number you gave? Yes, it's in the report. I have a schedule in the report, sir. Okay. Do you have any new hires to offset that a little? New hires? We don't need new hires. My pardon? We don't need any new hires, sir. You know what? We don't need new hires. We're going to need new hires.

0:55:08 We need some of the government hires, not you or us. I'm sure I don't, I'm not sure I understand you. Okay, I understand what I thought you meant internally. Well, we're hiring new individuals. I have been keeping track with the plan sponsors as how the hiring process is. i'm sure that since the new administration came in those that are leaving are going to be replaced but i don't think they can replace them that fast because we have a lot a lot of young folks that are leaving and i would have to check to determine miss jeremiah have you looked at the at the actives the last time i looked it was down to 7 000 it was i think it went down Yeah, but it was like close to the 8,000, so it went down.

0:56:06 It used to be like 9,000 or something. Then it went. It's been. It's down under 8,000 right now. But here's the question, Ms. Annette. You know how we get the list. You get a list of how many people have submitted for retirement. When the government, like a new period, they don't say, like, send you. Well, they have to, because you have to put them into B3. Is there a possibility that we can say, well, for this month, five new members are added to the roster, things like that, because I know for a fact you have new employees coming in. So they have to be, hopefully, paying into the system. Don't we get that?

0:56:47 Is that something that can be generated like that? I mean, I've gotten information before. Yes, I get it all the time for my presentation before the legislature. We get it for the auditors. We can get it from DOP, which might be a better source because things are changing every day with ICE. However, we may get, when the contributions come in for each agency, we can tell how many people sent contributions and see how many, or we can keep track of that, but I would not want to do it every period, I would want to do it on a quarterly basis, because you will have ups and downs, ups and downs, ups and downs, and the best source for that is DOD, and the semi-autonomous agencies, they have better records than us.

0:57:36 You just make to make sure that they are paying into the system. I understand. I understand. I understand what you're saying. Because they're coming in as tier two, replacing tier one. Yeah. Yes. But like I said, when we ran the annual statements for actives, some days ago it was about 7,000 something actives and that's just for the central government. I think for a semi-autonomous, it was like another 1,500 or 1,000. the thousands it was like 8200 so it went down significantly so it's like a one to one or just about under one or something like that but we will get we'll have it for the next um i can get it for you for the board 12.9 yeah god you can get it Okay.

0:58:28 Questions answered? Yes. Okay. Any trustees, any other questions? No. St. Croix? Oh, I had a question. The White House. You said the installation, the elevator and termite extermination. Is that a routine or do you find more termites? No, we did subterranean about six months ago and windows on it. And it appears I haven't seen it, but the chairman said he visited there and he saw it and I got confirmation from the facilities director that there's some way of currents of tomites.

0:59:08 So there's new ones, okay. So, yeah, the tree that's in front of the building is bad, so it's probably getting in under the ground. Yeah, well, we did subterranean, but maybe they need to. It's guaranteed, as far as I understand, so he needs to probably go back and do some of this. Okay. I have two questions, Mr. Nibbs. Have you spoken to the new director of personnel and the Attorney General regarding that they are attempting that they are attempting to remain current with their financial obligation to the system?

0:59:56 I'm glad to say I know board very well. We had a meeting set up with Ms. Glendinian, Dana Glendinian, who is the nominee. She couldn't meet the meeting and we have set another date. I don't have on top of my head the date that we're going to meet. I haven't met with Dennis Georges yet, but we're going to set a date today because I think we both have issues with our leases. We have to do our leases together and also, obviously, the delinquencies. But we had a full day schedule. That's about half a day schedule with personnel.

1:00:34 We had to reschedule. Okay? All right. Number two, do we have a timeline for trying to solve some of these V3 issues? You know, we continue to see that. Are they decreasing in any way? Right now, there are 148 issues that are related to GERS. And of those 30 are critical and 29 are of high quality, I guess, do we, is there timeline when we try to decrease these?

1:01:27 I have set timelines, yes, and maybe it would be better to discuss it in another forum. Okay. Okay? Okay. But I know that in other pension systems, you need to bring in people to test these things. But it's a matter of what is a priority, getting the retirees out, getting the refunds out. However, there's an issue, but I think I would rather discuss it in another forum. Okay. Because I've said 10 lines, but they're not being met. By the vendor.

1:02:01 Well, not the vendor, it's a staff, because these are GMS issues. that's why I said that I need to discuss these forums okay got it all right sir yes see that yeah all right thank you sir any other questions for the check the administrator and with none we got the committee reports you have any Any committee reports? I'm going to need chairs. Policy? No report. Thank you.

1:02:37 We've completed one. We're working on the next. Do you have a timeline? It's on your desk. It's on my desk. Yeah. All right. Mr. Chairman. I'm sorry. Go ahead. No, go ahead. No, just hold on. Mr. Chairman. mr chairman the investment committee has a a meeting scheduled for next week i think it's uh next tuesday i think the date monday monday the 29th yes 9 30. very well 9 30. i know it's the 29. yes yes you did should have got oh yeah it's on my phone what's this for Where does it say 4 p.m.?

1:03:31 You have it wrong, 9.30. Fix the calendar. The agenda shows that I should be setting out the final agenda tomorrow. It shows that we should be committed from 9.30 until about 1.30. There are going to be presentations. There will be. They said there will be. yes sir okay so i will send out the information tomorrow but the agenda shows commitment be from 9 30 to 1 30. all right no report from the medical review committee trustee smith you stand on the line yes um i do not have anything to report because basically the development committee and the investment committee is probably um it's it's sort of the same so i really don't have any uh reports okay okay let me move to the treasurer's report good morning board chair other trustees this is the schedule of receipts and disbursement for the month ending March 31st 2019. Receipts from collections, loan repayment $2,740,140. Rent from tenants slash utilities $110,089. Rents from Havenside tenants $644,377. Employer retirement contributions $9,467,087. Employee retirement contributions $5,507,301. Parking facility 540 miscellaneous 719,369 for total collection of 19,188,903 disbursements Annuity payments, $21,875,867. Administrative expenses, $1,082,395. Personal loans, $11,779.

1:06:16 Mortgage loans, $44,440. Retiree loans, $896. Auto loans, $1. Land loans 145, refund of contributions 680,708, allotments to Wyco slash management fees 117,331 for total disbursements of 23,830,561 for a net cash deficit of 4,624,658. Year-to-date fiscal 2019, loan repayment $13,868,244, rent from tenants slash utilities $997,296, rents from Havenside tenants $3,122,921, employer retirement contributions $40,273,600, employer retirement contributions $23,098,930, parking facility $7,050,000, miscellaneous $28,102,404, and if you look, I attach a supplemental sheet. I reclass the money from the Internal Revenue Matching Fund to internal from contributions, Hence, the big difference here in this month.

1:08:03 Total collections, $109,469,510. Annuity payments, $129,795,538. Administrative expenses, $6,530,335. Personal Loans, $266,840. Mortgage Loans, $353,435. Retiree Loans, $123,381. Auto Loans, $128. Land Loans, $1,962. Refund of contributions, $4,957,851. Allotments to WICO, $1,044,319. Total disbursement, $143,073,838. For a net cash deficit of $33,604,328.

1:09:11 Chairman, that's the end of the reading for the schedule of receipts and disbursements. All right. Thank you, Ms. Jeremiah. Trustee, is there any questions? Ms. Jeremiah? No, I do have a comment, though. See, that did what I tried to get my treasurer to do, anticipate the questions and answers. I noticed how you just slipped in the answer to the question you knew I was coming with. So, thank you very much. What was the question? Where there was that extra money automatically told me. Right, she answered it before I even asked it.

1:09:47 So, thank you. It's good, Mr. Jeremia. Good answer. It's crazy. Okay. Any other questions? Sincory, any questions to Mr. Jeremia? Mr. Chair, I just wanted to say that Mr. Jeremia Petra is supplemental because I don't want anyone to get the impression that we're issuing loans. So she did a supplemental, if you look at the attachments, she told you in regards to anything that says loans, it's something other than loans being dispersed.

1:10:21 It's for credit life insurance and these loans and maybe refunds of overpayments. So she has given us a supplemental backup for all the loans and miscellaneous also. That $719,369 she has given us a backup to how that is, what those items are. Designers don't want the impression that we still issue loans and we are suspended loans. It's refunds and maybe credit life, property tax, escrow, things like that. That's why they are still under that caption but it's not any processing or payment.

1:11:03 and then issuing of loans. Okay. The question, do you need a motion for acceptance? Mr. Chair, I move that we accept the treasurer's report. Second. Trustee Caldwell? Yes.

1:11:30 Trustee Cohen absent. Trustee Liger, Trustee Maynard, Trustee McConnell, Trustee Smith, Chairman Callender, yes, six yes, one absent. Thank you. Trans report has been accepted. Investment officers report. Mr. Chair and other trustees, this is a performance update of the investment fund as of March 31st 2019. The total plan returned 1.1 percent for the month on the performance benchmark by 40 basis points. Total equities 1.4 percent return on the performance benchmark by 10 basis points. Total fixed incomes 1.4 percent return on the performance benchmark by 60 basis points and total alternative zero one percent return on the performance benchmark by 210 basis points notable contributors and should attract us to performance or russell 1000 growth fund returned 2.9 percent or mid-cap index returned negative 0.6 percent and our brandywine global fixed income account had an absolute positive return of one percent but on the underperformed its benchmark by 28 business points. No updates on compliance for this month. Let's look at the cash flow update for the month. We ended the month at approximately $659 million in the fund. This excludes the member loan program and the St. Thomas and St. Employee office complexes. We did raise $15 million in the month of March to replenish our cash position. So we took $10 million out of the Russell 1000 growth index and $5 million out of the mid-cap equity index. As it pertains to fees, we paid no fees in the month of March. Year-to-date, we've paid $159,000. And fiscal year-to-date, we've paid $363,000 in our fees. As it pertains to securities lending, month-to-date, we've earned $400. Of course, you know, we've liquidated most of our equity positions, so that securities lending number is going to, at some point, disappear. Year-to-date, we've earned $1,000. Fiscal year-to-date, we've earned $2,000. So if we look at the activity for the month, we started at approximately $645 million. We had a net cash flow of $6 million, income of roughly $395,336. We had a gain in the portfolio of $6,941,486 to end up the market value of $658,537,396. Thank you sir. Any questions for Mr. Henderson? Alright, thank you sir.

1:14:54 Mr. Chairman. Yes sir. Yes, sir. I would like to add to the agenda, the under-executive session, new business, legal matter, A, and make B, A, existing A and A, agenda now make that B, unfinished business, bizarre. So we'd like to add A, new business, a legal matter that we have to discuss, and move unfinished business to B, a little as R. So we'll add in A, new business to the agenda. Aye, Trustee We order the agenda Legal matter with Wiko Legal matter is With Wiko Commissioner Jupiter, please a legal model that has to do with WICO. WICO.

1:16:16 All right. That's a good motion. We're going to go on motion, Mr. Chairman. We need a motion. Mr. Chairman, I move that the agenda be amended as requested by Mr. Nibs to add the subject of WICO on in the executive session. Legal matters. That matter is a It is a legal matter. Second.

1:16:58 Trustee Calwood? Yes. Trustee Cohen? Absent. Trustee Liger? Yeah. Trustee Maynard? Yes. Trustee McDonnell? Yes. Trustee Smith? Is that disconnected? Absent. Chairman Kalinger? Yes. Five, yes, two absent. Motion passes. Okay, this portion of the meeting will be closed to the public for matters pertaining to trade secrets and all financial information.

1:17:44 Mr. Chair, I move that we go into executive session to items being discussed pertain to trade secrets or financial commercial information. Second.

1:18:12 Yes. Trustee Caldwell? Yes. Trustee Cohen absent. Trustee Liger? Yes. Trustee Maynard? Yes. Trustee McDermott? Yes. Trustee Smith? Absent. Absent. Chairman Callender? Yes. Five years, you are. Thank you. I'm going in. I'm going in. Thank you.

1:19:07 Thank you. I don't know what you see. Yeah, yeah.

1:20:07 Thank you. Yeah, what do you know, you're doing the white paper, you have to get first, you know.

1:20:51 Thank you. I thought we used to go before you went to school and I was like, I don't know. Before we used to do it. So, did you get pizza?

1:21:31 I was like, yeah. Just a high hotel hotel. You like it? Oh, yeah. I mean, we go elsewhere. How are you? It's cool. You? It's cool.

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.

5x **Trustee Vincent Liger**
heard in this transcript as: Liger

4x **Trustee Leona E. Smith**
heard in this transcript as: Smith

2x **Senator Dwayne DeGraff**

2x **Senator Kenneth L. Gittens**
heard in this transcript as: Gittin

Bills and acts referred to

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

Referred to but not found in our acts corpus: Bill 33-0031