GERS BOT·s Monthly Meeting 3/19/24

GERS Retirement System (Board of Trustees)

March 19, 2024 · 1.3 hours · gov

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0:00:00 okay good morning everyone this government employees retirement system regular meeting of the board of trustees for tuesday march 19th 2024 is there by carl to order it's it's not recording yet Recording in progress.

0:01:10 All right, time for roll clap, please, Mr. Administrator. Yes, good morning. Trustee Nellen L. Bowery. Present.

0:01:39 Trustee Barry present, Trustee Andre T. Dorsey, present, Trustee Vincent G. Liger, Trustee Liger absent, is he excused? No, he doesn't have to be attended. Okay. Trustee Leica absent. Ex-officio member Cindy Richardson.

0:02:09 Member Richardson absent. Trustee Ronald E. Russell. Present. Trustee Russell present. Trustee Leona E. Smith. Trustee Leona E. Smith. trustee smith present trustee dwayne a callwood trustee callwood present uh mr chairman five present one absent thank you um do you have any comments and suggestions from retirees yeah i i want to comment as a retiree and i beg your pardon because uh i need to also inform you that i would be leaving at 11 because i have a fire mr chairman can we pause for a moment this is very distracting mr moses can we turn the volume down with this we don't need two sets of volume that's what that's up so can we turn this mute this one yeah and i'm right in the middle of it it's coming from here proceed and i'm trusting yourself okay thank you much yeah i was um okay um as a retiree I had the opportunity to review the bylaws and the rules governing, you know, the GRS.

0:03:58 And I think serious structural changes are needed because it is, number one, that we have had, and no offense to anybody, but trustees on the board that's been serving a very long time and the issue there is whether or not when you appointed as a board a trustee it's like a lifetime appointment and i don't think that was the intent of the legislature to make an appointment end up like a lifetime appointment are just because the structure of the legislation is deficient.

0:04:54 And so there needs to be legislation that structure the GRS board and the appointments and how they are made differently. The second thing that I would like to comment on And the Board of Trustees, there needs to be a lot more inclusion in the decisions that the Board of Trustees make. And the example I'm going to give is the recent restructuring of the committees in the board without any input from the trustees. I think that any decisions that are made that affect the trustees, the committees or anything should be brought to the entire board. right now as the structure of decisions come down the the chairman has an unfettered one an unfettered ability to change the dynamic of how the board interacts with without any input from other trustees and that's a deficiency in our internal structure what we want to do and i think anybody who wants to move this board forward should understand that everybody and the board could contribute to the leadership and if you have

0:06:46 have the leadership skewed toward a certain type of decisions where the chair has an unfettered ability to change stuff without including the trustees. I think it's problematic for the structure of the GRS system. The last thing I would like to mention is that where we are not included with major decisions that might affect the structure of the board, we are included in everything else. the finances the today's meeting you going over the finances of the haven site mall you're going what and and and we're expected to approve these in our fiduciary duty but then we can't make decisions as a board with inclusion and participate as a cohesive board instead decisions come from top down and we have to just agree and i believe that structure needs to change i believe that the structure with with the dynamic board members that we have needs to be one of inclusion and one where the power of making decisions isn't rested in one person and then decisions are made and we just have to agree with it and i think uh as a member of the grs system i would like to see a much more inclusive decision process as we move forward thank you very much any comments or suggestions from any other retirees

0:08:54 Hearing none, do we have any comments and suggestions on some of the comments? Point information, Chair. Yes, sir. Yeah, I also have a short day, so if we have to vote on anything, I know in an executive session, if we could rearrange to probably put that on the after so that we can get to because I also have a short window as well. Do you make a motion to reorder the agenda? Yeah, I'd like to make a motion to reorder the agenda to at least cover what the items of importance is, probably those items in the executive session. If we can rearrange that to be first and then move into the balance of the agenda.

0:09:54 can you can you can you amend your motion to go to executive session and then come another executive session we deal with the one regular business item that's also going to require a vote and then we proceed with the rest of the stuff based on your availability uh i would just say so move okay do i have a second second second yeah so to say i have to move on as a motion to reorder placing the executive session first followed by the one the one open session item correct so that was moved by trustee dorsi seconded by russell trustee barry yes trustee barry yes trustee dorsey yes trustee dorsey yes trustee liger absent trustee russell yes trustee russell yes trustee smith yes trustee smith yes trustee callwood yes trustee callwood yes mr chairman five yes one absent financial commercial information or personal legal matters or matters whose premature disclosure will frustrate the implementation of the proposed agency action so move move by trustee smith seconded by trustee russell trustee barry yes trustee barry yes trustee dorsey yes the dorsey yes trustee liger absent trustee russell yes trustee russell yes trustee smith yes trustee smith yes trustee colwood yes trustee colwood yes

0:11:52 uh mr chairman five yes or an absent okay let's give the idea a minute and okay all right we're back on record um we're out of executive session during executive session the board review some medical review committee recommendations so we're back into regular session item number 118 administrator uh yes mr chairman uh we have a motion a resolution for the purchase of a that is so distracting that vehicle it's sorry a 2024 jeep grand cherokee uh that has been circulated uh there are a number of whereas uh clauses uh i don't know how you would like us to proceed if uh will someone move the motion or you like it read right yeah including the whereas clauses or the yeah okay i'll speak over the vehicle that's that's beeping it's appropriate because we're speaking about vehicles whereas whereas four vehicles owned by the gers are or were over 10 years of age and whereas those four vehicles are or were experiencing mechanical difficulties due to age, and whereas it is or was no longer cost effective to maintain those vehicles that exceed or exceeded their functional and economic life, and whereas in the exercise of fiscal prudence it was determined that selling these four vehicles, two on St. Thomas and two on St. Croix, to partially fund the purchase of an appropriate new vehicle for the island of St. Thomas, since Incroy would still have sufficient transportation available, while St. Thomas does not presently have sufficient transportation available, and whereas a net reduction of the GERS fleet by three age vehicles would reduce maintenance and insurance costs, and whereas two vehicles have already been sold as follows, 2013 Chevy Equinox GERS1 and St. Thomas for a price

0:14:30 of $9,000, and a 2009 Chevy Silverado GERS-6 on St. Croix for a price of $10,000, and whereas two vehicles remain listed for sale as follows, a 2013 Chevy Equinox GERS-3 on St. Thomas listed for sale at $7,000, and a 2013 Chevy Equinox GERS-2 on St. Croix listed for sale at $8,500, and whereas the GRS has sourced the 2024 Jeep Grand Cherokee utility vehicle at an approximate cost of $60,000 to be an appropriate replacement for the island of St. Thomas, be it hereby resolved that in consideration of the $19,000 already raised from the sale of two vehicles as outlined above, and the continuing efforts to sell two more vehicles for a combined price of fifteen thousand five hundred dollars the grs board of trustees hereby grants the administrator ceo authority to purchase one new vehicle for the island of st thomas at a cost of approximately sixty thousand dollars with a ten percent margin should it be necessary as a chairman that is the motion uh many trustees i i i have a question why why why is this a board issue all right i agree we don't have it in the budget presently it's not budgeted so we wouldn't want to proceed without a authorization since it was not budgeted so you just look in authorization correct and the administrator um does not have as i read it that authority so of course i will always err on the side of caution what what's the limit to the authorities

0:16:25 you're spending thirty thirty thousand dollars you said one thirty thousand dollars okay oh that was trusty like trusty like or espresso no no no i i was just um commenting on the the limit for the administrator 30 000. yeah um i want to come in i like that change mr dawson um i like you including the board of trustees with major decisions and the whereas clause this really explained and so i go make my motion to approve it but i like the fact that you come out in the open with what's being done done and people the public could be apprised of what's happening so i like that a lot so when when the time comes i can make the motion to approve your resolution. Thank you, Trustee Russell. I support that. Just to be clear, we are selling four and buying what? Yes, Trustee Bowery. Mr Chairman, you want me to make the motion? Sure. Yes, yes. You want to make the motion that we approve the resolution just read into the record by uh our ceo darson i so moved yes mr chairman uh trustee barry yes trustee barry yes trustee dorsey

0:18:19 yes trustee dorsey yes trustee liger yes trustee liger yes and i will reflect the record to note that trustee liger is now present yes uh trustee russell yes trustee russell yes trustee smith yes trustee smith yes trustee colwood yes trustee colwood yes mr chairman six years thank you okay that's only comment i thought it would have been a ford instead oh once once is bi-american so uh jeep is american i know i'm only kidding i'm only kidding okay now let's move back up to number item number five on the agenda communications and correspondences mr chairman i i have no uh communications or correspondence to read into the record okay um next item up the chairman's report on february 28th and 29th um along with the administrator and couple senior staff we met with uh vitek regarding the v3 migration and some other matters on march 5th we appeared before the legislature i appeared before the legislature um the committee on budget appropriations and finance to testify on bill number 35.0196 that concludes my report what what bill is there mr chair 35 that's 35.0196 that was the one we

0:20:08 regarding the loan program and also the liability cap for the GRS. Okay. Mr. Chairman, that V, what do you say, VTech? Vitech. Vitech, is that the upgrade to our system regarding technology? Yes, sir. Well, how far along are we with that? That's been around a while. Um, Mr. Trustee Russell, we're proceeding a pace with the migration, the migration assessment is being executed at this time, but we do envision that we'll remain on the schedule, excuse me, the timeframe, the schedule originally, based on my understanding since I wasn't here when it was originally brought up, but we're continuing on pace.

0:21:07 it seemed to me like it taking long that's why i mentioned why i asked about it because i think we discussed that in a retreat last summer and we discussed it they need to have it done expeditiously correct so so so the fields that they're in now they're doing a lot of uh a lot of evaluations so that when we make the migration we're not making a migration to end up fighting with the same issues that we're dealing with now okay well i i would hope that they could get it done sooner than later because technology moving real fast and we got to be up to speed okay thank you very much okay thank you yeah so shall i proceed uh yes mr chairman yeah with the um divide tech um does this does this uh have anything to do with the loan program doing the applications online no no no trustee um dorsey okay thank you you're You're welcome sir. Shall I proceed with the administration?

0:22:26 As usual, I begin with an overview of various meetings, presentations, and appearances. On February 22nd, I recorded a segment of WTGX's Comes with the Territory with Leslie Commission, which aired on Sunday, February 25th. On February 28th and 29th, as indicated by the Chairman, I, too, participated in meetings with Vitec regarding B3 migration and other matters. On March 5th, I appeared at the Legislative Committee on Budget Appropriation and Finance to testify on Bill 350196, along with the Chairman and our Acting General Counsel. On March 6th, I attended the Board of Trustees Development Committee meeting, chaired by Trustee Russell. On March 7th, I participated in the Haven Site Project Review with the company Ideas. March 8th, I conducted an all-staff meeting, and I must indicate that it was an excellent meeting with full engagement by the staff, and I think it was enjoyed and appreciated by all. On March 11th, I addressed Gruff, Government Retirees United for Fairness, at their quarterly meeting and presented them with a plaque to commemorate their 10th anniversary that was also a very well attended and engaged meeting and it was good to see the members of gruff including its chairman miss helen hart on march 14th i participated in a personal loans restart planning meeting vitek update meeting haven site mall update meeting as well i would indicate with regards to the loan restart planning meeting that we do intend at this time to be issuing a press release on about april 8th with details of the program to members of the public who are interested on march 19th which is today i will be a guest on wsda's ideas and issues radio program and look forward to that. I'll go through the usual reports in terms of member services so far in 2020 well in 2023 we received 284 applications for retirement of which 206 have been processed with 78 remaining that's a 73 percent completion rate for 2024 we have received 57 thus far and um approximately two percent of those have been processed of course it's a process that involves receiving uh documents from various sources so we anticipate that that number will be steadily or the percentage completion will be steadily increasing there presently 141 applications for retirement that are in process contributions processing in terms of refunds and death benefits we have paid out refunds totaling to 281 refunds totaling three point five million dollars and there are 57 cases pending death benefits we processed 22 death benefit payments totaling one point one million one hundred eighty

0:26:08 seven thousand seven hundred ninety three dollars and there are 34 cases pending annuity payments in terms of the number of retirees that we have presently there are eight thousand seven hundred and eighty one retirees on the retiree payroll so far through March 15 for the fiscal year we've paid out a $123,093,291.36. The number of retirees added to the payroll for the fiscal year thus far, 155. The number of retirees added to the payroll on March 15, 2024 was 20. The number of retirees that we're expecting to place on a payroll from march 28 is 19 and the number of retirees deleted from the payroll from october 1st through march 15th is 134. as of march 15th the gross retiree payroll approximates 11 million 222 thousand dollars in terms of disbursements to retirees We have disbursements totaling 9,543, of which 7,770 is within the Virgin Islands, and 1,773 is outside of the Virgin Islands, between the United States, Puerto Rico, and international.

0:27:53 Was there a question? No, no. okay sure um the usual statistics on the loan portfolio which is at a low level presently until the restart commences we have as of february 29th 689 personal loans of which 398 are on st thomas and john and 291 on st croix we have 71 mortgages of which 52 on St. Thomas and John and 19 on St. Croix. The geographical for the dollar distribution of of the long portfolio which totals some six million nine hundred and eighty six thousand dollars is four million four hundred and sixteen thousand on St. Thomas and John and two million five hundred and seventy on St. in terms of the operational overview we have no issues with our building on St. Croix other than ongoing maintenance likewise for St. Thomas we have ongoing projects as we indicated in the last meeting work proceeds on the GERS main generator which is about 75% complete. As everyone can see who drives by, the hotel development proceeds apace at HavenSite mall.

0:29:31 So with regards to the HavenSite mall strategic and infrastructure plan, we have met with ideas on a number of items including brainstorming of the names and design concepts for the rebranding of them all which will be tested by ideas within our market Haven site mall waterline replacements and rehabilitation is continuing. The extension document has been approved by WAPA and the document will be updated for signatures with a new timeline. The company completed underground GPR and Ellipse will continue the waterline design. If there are any detailed questions with regards to the Haven site waterline replacement i would defer to our operations chief operations officer who has been working intimately with haven site staff on that project um rental collections february 2024 we collected between rental and billings for electricity 117 393 dollars total year to date we've collected some six hundred thirty six thousand six hundred ninety two dollars and we do have some arrearages that we'll detail further in my report leases the casino control commission lease was signed by the casino control commission and is awaiting final signature department of justice new lease with new signatories was drafted for signatures of course with the recent changes at the Department of Justice there might be some delay in the final execution of that lease but we don't anticipate that it will be very long. The VIPD, Virgin Islands Police Department lease has been negotiated and is being routed through for government approval and it's currently with the Commissioner of Police. There is a matter with regards to a replacement

0:31:59 generator that's being sourced for one of our properties on St. Croix to facilitate the tenant and there's a pending contract with regards to the what we call the southern flat roof of this building that we're sitting under presently which is the only part of the roof that has not yet been repaired and that is coming up shortly if it were raining you should be okay so I did indicate that there is some arrearage of rent and associated costs including electricity um right now the rental errorage proper is a hundred and one thousand five sixty eight five hundred and sixty eight dollars and the electrical errorage is the advanced i'm sorry what did he say oh okay there you go right and the uh electrical errorage is 76 000 um we uh leading the the pack is uh the department of justice now there might have been i think miss clinton and some recent update to this number yes uh would you care to share that please um the department of justice number uh remains the same uh pleasant up to pleasant i um their three admin a sc and storage they made a payment bringing their total for admin down to eight thousand three thirty nine thirty the total for the storage unit down to six hundred and twenty six dollars and their total for ESC down to nine thousand one thirty six and twenty eight cents so there's been some progress as well of course we keep the pressure on all of our tenants both public and private tenants because as I have told our operating officer we we are not a bank and if anybody needs financing they

0:34:17 are to seek it from a bank and not from us we're not going to carry receivables for any extensive period of time um you start issuing loans they're going to think you're a bank good one trustee a quick a quick question with person um over the period i've been on this board they have always been up to date it's all been zero and so i understand that they may be experiencing some difficulty collecting uh from uh from some government uh entities so as a result we are exercising some um some forbearance however there's a limit of course so um we will you know i don't want to discuss a private businesses too much but they have been a generally good tenant so we're working with them to send possible okay all right so mr chairman that concludes the administrator's report the treasurer is uh on approved leave at present so i will give a brief uh synopsis of the treasurer's report okay um do you allow me to do the committee reports first oh i'm sorry i just wanted to thank you all right i got you i got you

0:36:09 any questions from any um trustees regarding the administrator's report yeah i have a question chair the administrator's report um just the the section for the section for justice you said the the arrea's number has not change the well i mean on the screen what you see today is their actual balance i did not well as of last night receive any additional payments to change what you saw on the screen whereas that we did reflect a payment that came in for pleasant so i made the update um because it's different than what's on the screen Okay. So, CEO, prior to you coming on, there were recommendations that any new leases definitely for government be dealt with differently. So, in the new lease, you proposed for public safety. Do you have anything in there to assist the system in terms of collections?

0:37:27 did you put any any of those points in which uh attorney myers as well as miss clendenin would know about because we had those discussions that we would try to do something different going forward so was any that put into the new league um this is so that this is so that as you just stated we wouldn't be carrying the load if i i do not believe that that particular section was placed in the lease i believe that there was discussion about um having a particular fund set up so that the money would go in that particular fund and we would be able to draw uh from that fund if if need be um that was not placed in a leaser so why did you guys not put that in the least since we discussed um we discussed it as the board since i wasn't here when that discussion that you referred to um was had i'm going to ask for clarification on that matter attorney meyers yes i believe there was a discussion involving setting up funds for of setting up a particular fund for the governmental tenants the department of personnel and the department of justice and we would be able to tap into those funds to receive our lease payments our rental payments so it sounds to me that that would really be an agreement or an arrangement with the government proper and not something that could be encapsulated uh within a lease uh with the discrete entity in this case uh the police department the police department and um any other

0:39:28 individual uh government agency that is correct 30 attorney williams is that is that comment correct let me allow the coo to weigh in because this this comes up every single meeting for the last four or five months um good morning again yes we had this conversation if it's not the last board meeting the board meeting right before as as we were discussing justice um and mr dawson at that time explained about how the government finances him being the commissioner of finance before it works what is different about the new leases that's being signed justice doesn't have the new leases yet is before any new leases sign again different than what we did in the past the property and procurement because the landlords have been expressing such dismay at not being able to be paid timely or government entities signing leases they truly don't have any money to pay property and procurement recently implemented a new process so therefore you would have to get a purchase order securing the money to draw down from in order to pay that was not the case prior to the recent leases department of justice is under the old lease we're in the process of getting a newly signed. If you look in the reports to the board through the administrator's report we've had in the past, it'll say leases waiting for PO information in order to execute. That means that property and procurement is keeping up their bargain of not allowing government entities to sign these leases without being able to prove that they can pay it. What we're experiencing and now is a cash flow issue that's not unique to the gers in the government coffers um and not that you know they're not willing to pay that's what was explained last time trustee dorsey so going forward yes we have with the property and procurement set up something different um but no matter what you set up if a cash flow is the issue even though i have a po the cash flow is the issue so does that does the new lease for public safety that really is the point today we understand we're on an old lease so we know that wouldn't qualify but on the new lease with public safety miss

0:42:05 is that in the police with public safety that's what the point is yes it's a new standard it's a new standard for them so these new leases that's well vipd that's sitting on their commissioner's desk for signature yes it cannot be executed without that peel that deems they can pay for the entire year they do it every year they renew it every year that they can pay for the space that they're renting and what would happen in a situation like the government is currently in know where they have a casual crisis the payments to us will slow but the government will pay um as the cash becomes available because they have an executed po i just wanted that to be on the record thank you so attorney williams attorney williams what i requested before was a direct payment um where finance would be cutting that portion out of their budget process, and that will be coming directly to the GERS, but that is a little different than what is being said today. I mean, but that's not the original thought was something coming as part of the budget process. The allotment would come directly to the GERS and not to that agency. So, Attorney Williams is kind of different than what was proposed by trustee dorsey at the time when i was discussing that or is it the same thing i think as you've indicated it is different i mean there was a lot of discussion about a lot of different options what miss clinton explained is i assume what the current process is relative to the government i think you wanted more than what's in the current lease uh provision and the

0:43:59 way um those leases are um implemented um i don't recall i would have to go back and look at notes to see whether or not there was a motion to adopt what you were recommending if in fact something like that was adopted then grs would be bound to um include those that language in the lease provision if there is no motion it may be something that you may want to formalize as we go forward because if that is the wishes of the trustees then that's what the system will have to do whether the tenants are agreeable to the language is a different question but i assume jerry staff would have to at least put in the lease whatever um directive the board gives them as relates to that issue and we certainly shall however that does not remove the underlying issue of the government's cash flow position at this time there was no motion so so let me let me just say that um attorney smith when she was here she indicated and attorney myers could verify that she was have that in the next lease that was going to be in the next lease that's why i went back to attorney myers because it looks like it was left out of this lease with public safety so this is even before this new position of property procurement is taken on this is a more direct uh flow of funds into the grs account for going forward with a rent with agencies from the government renting uh or leasing from the system so attorney did indicate she did indicate that it would be in the new leases going forward um attorney myers excuse me trustee i i do not recall attorney smith saying that but i will go back and check the

0:45:56 record she didn't yeah she said it would be in there she did say that if you go back it's right there she said she couldn't put it in the current lease as clinton uh clendenin gums just indicated because of the current lease for going forward we would put that in going forward just just say i am clear what not clear understand what what is it you wanted to put in the lease what was the question sorry what is it you're saying you wanted to put in the lease i mean if what is it you propose any put in the lease attorney uh smith indicated When I mentioned it, this is way back, some meetings back when Mr. News was still here, we had this same issue for a while, for a minute, with the arrears.

0:47:01 And then I asked if we could just, during the budget process, if that could be cut out, the portion that's supposed to come to the system. I was told at the time they couldn't do it in the middle of a contract, but any new contracts, that language would be put in the contract so we wouldn't be floating the rent with these two particular agencies at the time, which was the Department of Justice and the Division of Personnel. So now that we have a public safety contract getting ready to come, and now we have another hiccup with cash flow. government normally has a cash flow issue that's just part of how it operates um if something could be cut directly from the budget process directed to um the gers and attorney smith said in the new contract they would add that language in the new contract so this is a new contract with public safety so i wanted to know if it was put in or not and apparently what attorney Myers is saying it wasn't put in and this was before the new CEO so he really wouldn't know but the people around him know and they didn't make sure it got in they just saying something that property and procurement came up so you're asking that the legislature appropriate directly to I mean you could ask what you want at least I don't know if any department could sign a lease that says the legislature has to appropriate the money directly to GRs.

0:48:44 Exactly. Well, there were other situations that has happened where the Senate did do that. In our case, that was brought up before. So I was waiting for Attorney Smith to bring whatever language that needed to be forwarded to us to forward to the Senate as if that was going to be the approach. But attorney Smith at the time, if you go back in the minute, said that they will be putting something in there. I was talking about just getting some kind of deposit to draw down from, right? So I guess the language today now is a PO from property and procurement. So that's something different. It's a step in the right direction but it's just something different than what i was saying so that's why i was asking attorney williams if he remember he remembers but he said still different than what would be a direct payment so if it has to be done by the senate then i guess that's the way we need to go or one of the ways we could look at as an option um i guess we'll see how this works out it's just that i was just trying to see how we could uh lower the figure or put the figure zero so I don't know anything else more than that.

0:50:02 I thought it would have been in the Middle East, so I was really looking for that language in the Middle East. Okay. Thank you, Chair. You're welcome. All right. Committee reports. Yeah, okay. I'd like to make my committee report now because I have to leave, Mr. Chairman. Good morning to the trustees and good morning to the public. We had a committee meeting on October, not October, wow, March 6th, and that meeting was scheduled originally to have senator gittin address us regarding the development of both properties on st croix and st thomas but senator gittins could make it and so we had a meeting nonetheless and i reported to the committee that um senator gittins has developers who are interested in our projects on both St. Thomas and St. Croix.

0:51:22 And Senator Gittins would get back to me when he could have his developers attend the meeting. Additionally, I spoke to Mr. Biggs and we were awaiting Mr. Biggs developers. We have some developers too to make a presentation to the development committee. And I'm not sure how that's going to proceed now. But we also discussed the travel policy, we discussed it at length, and I informed everybody there that I think changes should be made with the travel policy because going to the sea trade I think is an important function of the fiduciary duty of any board member. But, you know, my request was denied.

0:52:15 So we discussed that. And then last in development committee, we sort of got an overview of, I gave an overview of some research I did regarding retirement communities in the various states. Because there are some really, really good retirement communities. that exist in Georgia, Florida, Alabama, and I found out later, Massachusetts and Texas. And what we wanted to do was visit some of them, get the ideas from what they have done and promote it here in the territory because we wanted to get the best of both worlds.

0:53:08 We are American territory. We could benefit from whatever is done in the United States, and we could get, you know, a similar type project here in St. Thomas and St. Croix. And lastly, we were on the verge of setting up, you know, some kind of public input to the development, and that has been changed, but public input would mean that the public would weigh in on what developments they think should happen in St. Thomas and St. Croix. uh so that that's my committee report and let me say that um uh when i spoke as a retiree and we need truck structural changes because um i am no longer the chair of the development committee and so what's going to happen with the development and what we're doing i think you know the the trustees should have a discussion among ourselves as to what we want to move forward and what could be the best approach to moving forward so thank you very much um i wanted to ask one question for the chair and the ceo as you went before the legislature And I know that we might be taking on this new loan program, and I thought that was there an attempt to get our administrative costs reimbursed from the legislature, the $15 million, or any other input from the legislature regarding finances for the new loan program, Mr. Chair and Mr. CEO, because you testified. So I'm wondering if you brought that up so that the senators could be apprised of the challenges financially, starting the loan program.

0:55:18 So I'd like to hear what the chair... No, you didn't? Okay. Okay. Well, Mr. CEO, when you go on the radio, I hope you... I mentioned that the community has to be involved and, you know, we all pay taxes and the GRS might need some money. for the administrative costs for doing this loan program and you could apprise the public so i hope that we could do that at some near future where we as the system go to the legislature and say we need some money to to do to do this loan program properly okay thank you mr chair i i have to leave okay um and i i mentioned it early but thank you for giving me the time to uh give my community report and um i have to leave now okay thank you welcome sir all right any other committees i don't think there were any other committee meetings okay um treasurer's report uh yes mr chairman uh i do believe at least earlier um we had miss um you sell Austria our accounting manager on standby and on the line I don't know if she rejoined after the executive session but I was planning to deliver the treasurer's report anyway so I'll direct your attention to the report for the month ending February 29th 2024 for the month of February by 2024 we We collected some $19.8 million in the form of loan repayments, rent from tenants, employer and employee retirement contributions, which were the largest items at $12.3 million and $6.6 million respectively, minor parking fees, and miscellaneous income for a total of $19 million, $774,823. Fiscal year to date, we have collected $188,344,959 with disbursements fiscal year to date of $124,872,123 for net cash surplus of $63,472,836. On the next slide, you would see our loan disbursements, which I'm sorry, you'll see loan disbursements totaling as a minor amount is $12,071. dollars. Um, miscellaneous, um, disbursements, uh, of 379,368, uh, which was indicated on the prior slide, but is broken down in detail, uh, here, uh, administrative expenses, uh,

0:58:36 likewise are, uh, doing, uh, quite well. We're doing well on administrative expenses. Uh, There's a footnote in the slide, there's no number, but the first slide of the treasurer's report which shows that administrative expenses as of February 29th totaled $6,027,957 or 26% of budget. If we were to do a straight line calculation, by that point in the fiscal year, we should have been at 42%. so we're under budget in terms of our expenses which is something that we try to impose good fiscal discipline and not only remaining within the budget but remaining well within the budget there's a breakdown of personnel of administrative expenses rather on yes that's the correct slide that shows that personnel and personnel related services are our largest expenditure but we once again remain within the budget category as far as the Haven site mall is concerned you'll note this report we have both the cash basis and the accrual basis of presentation so looking at the collections versus outlays for fiscal year to date we have well interest in February of 2024 rather we collected four hundred and thirty five thousand 888 dollars in rents and our disbursements were 415,685 so we had a net cash surplus in february of $20,203, and year to date, we have collected $2,249,501 at HavenSight Mall. Disbursements, but disbursements in this case include capital projects, total $2,292,598 for a small deficit on a cash basis. However, importantly, if you look at the next slide, it will show statements of revenue and expenses more along the lines of an accrual accounting. So for fiscal year to date 2024, we've collected $2,527,321. dollars and expended two million three thirty five zero forty nine so our our net income on an accrual basis is a hundred and ninety two thousand two hundred and seventy two dollars year to date which compared to the cash basis which shows negative forty three thousand uh ninety six dollars because of the inclusion of capital projects, which should typically be amortized or depreciated over a period of time, shows why looking at both bases of accounting is prudent because the accrual basis gives you a much clearer picture of the actual financial performance of the mall, which is sound at this point. And I would indicate that this also is reflective

1:02:29 of the fact that we are still in an abatement period with regards to rents at haven site mall uh that abatement period will be uh ending next year and we'll be back at 100 uh collections versus uh the the abatements that were extended uh in the aftermath of covet given the improvements that we're seeing to our cruise industry mr chairman i would conclude the treasurer's report on this one i have a quick have a quick question um cecile um just looking at the two reports um on the cash basis you have receipts of two point two point two million dollars year-to-date 24 and on the accord basis you have 2.5 so that that difference is what to receive reviews or what was what's the difference that would be correct uh as of that point in time um trustee barry so in terms of the rebate yeah how are we treating the rebate amount okay it is a reduction in the in the amount of rent that is due okay per the board's uh arrangement and agreement um that comes to an end uh within um the year so we'll be back at 100% and I'm happy to report that there's a lot of interest being expressed by new possible tenants for the malls so we should be at 0% vacancy and I think that we'll be in a very competitive position with regards to increasing rents to new tenants.

1:04:32 okay i don't have this is a question i raised some time ago should should um should grs be charging a management fee to the more i think it's worth um discussing um miss clinton and you i saw you mouthing something I think we had a discussion in last budget cycle where we accounted for a percentage of our time, all the support staff.

1:05:10 staff? So what I'm hearing is that there's some cost accounting that will be done to see that the GRS recoups at least the financial value of the time spent by GRS staff I guess including myself from Haven Site Mall but that's all internal that's all cost accounting because at the end of the day we hold the asset 100% so but your point is understood well taken and we will be we're in the process of beginning the budget planning cycle uh for fiscal year 2025 which will be my first um cycle as the as the ceo administrator so we will definitely take that into account as we proceed to develop the 2025 budget okay so it has not been clear in my mind how how the how the system gets any credit for not just managing the mall but the the success of the mall i mean the the mall has no financial statements the mall is listed as part of our asset base right yes sir and so the success of the model would be reflected in the value of the model that that's the value that's reflected on our books for the model is that yes that's actually what i was going to point out that i think that the way that we're ultimately compensated in addition to any administrative fees that we might receive would be if we have so improved them all that the next time we have it

1:07:08 valued it has at the very least sustained its value or even increased in value okay okay all right thanks you're welcome sir any other questions for i just have one just like clarification how many vacancies you have out there at the mall right now we have some due to the displacement of the warehouse demolition uh so in building three well technically it's not even vacant where people are in those spaces but uh do you have that figure handy thanks approximately eight total in all buildings not all of which are actually um in rentable condition um particularly in building three with some of the work being done there you you mentioned that there's some inquiries you're getting some inquiries about rental spaces over there. Do you get a sense that the fact that the hotel is coming is driving any of this? It doesn't hurt, it truly doesn't because there's really a palpable sense of excitement about the new hotel development at the mall as well as some of the other things that we're doing internally so it certainly would be a factor. Okay okay so does that mean that does that does that mean that we could we could increase the rent or lease fees well we can't increase rents in existing leases but as we as we as we enter into new leases uh we will certainly maximize the rent that we're going to drive a hard bargain let's put that way with uh with new applicants okay okay um can i get a motion to accept the yeah um again prior to the new ceo coming on prior to the new ceo coming on we did mention about a mall manager someone with their expertise in the area is there any more discussion on that um particular item uh yes trustee dorsey um we as you know are

1:09:43 working with our consultant ideas as a matter of fact I'm gonna have a meeting probably by the well the end of this month is next week but early April where we're gonna have a presentation to the oversight committee of the progress made with ideas and we'll also have them at our retreat in July is so that they can give the entire board an update. But as part of the work that we're doing with them, we have redefined that position, which has actually been posted as a vacancy so that we could solicit interest. And it's being termed, it's still the property manager, but the person will also have aspects of retail, dining, and entertainment in their background as we make the Haven site mall which may also be recommended for a rebrand in terms of name um we will be um we're soliciting applicants for that position presently which was budgeted okay so um whenever that meeting happens i would like to be in attendance so if you can notify me i would appreciate it absolutely i was removed from that committee as well so i would still like to attend so i appreciate that but that being said uh chair i now have to leave this meeting have a good day thank you and happy easter you too any other trustees before i entertain a motion to accept the treasurer's report Mr. Chair, I have a motion to approve the treasurer's report.

1:11:35 Can I get a second, please? I second. Moved by Trustee Smith, seconded by Trustee Liger. However, will count it? Yes, sir. Trustee Bowery? Yes. Trustee Bowery, yes. Trustee Dorsey? trustee dorsey absent trustee liger yes trustee liger yes trustee russell trustee russell absent trustee smith yes trustee smith yes trustee colwood yes trustee colwood yes mr chairman four yes uh two absent all right next up the investment officers report mr henderson all yours uh good morning mr chairman other trustees uh this is an update of the investment um portfolio as of the end of um february february 29 2024 uh just a quick summary of the activity of the month um global stocks markets saw gains in february however in fixed income generally higher yields led to falling prices of investors pushed on out the time frame for central banks to cut interest rates. U.S. stocks gained strongly in February, supported by well-received corporate earnings. Eurozone stocks also advanced in February, although they lag behind the gains made by U.S. markets. Emerging market equities finally outperformed developed equity markets for the year in February, as Chinese shares experience a rebound. As it relates to what that meant for the performance of the plan for the

1:13:24 month, the total plan was up 2.4% for the month and returned 11.8% fiscal year to date. I'd like to remind the trustees that these performance numbers also include some of our local assets, um haven site on our properties uh total domestic equity returns but i'm sorry what's the difference between um fiscal year to date and year to date year to date would be from year to date would be calendar year to date so that would be from january Oh, okay. Okay. I'm going here. Go on here. Total domestic equity was up 5.4%. Our total international equity portfolio total returned 2.8%. The developed market equity portion was up 1.9%. The margin market had a strong month, was up 4.8%. Our total domestic fixed income portfolio was down slightly, 0.6%. Investment grades was down about 1.4%. Our tips portfolio was down 1.4%. And our higher yield bonds returned 0.3%. Our total alternatives returned 0.3%. As it relates to the cash flow for the month, we ended the month at approximately $542.5 million. We raised no funds in the month of February. So if you look at the record of asset growth, we began the month at approximately $529.8 million. We had a net cash flow of

1:15:13 $28,000, which was $28,000 we paid in investment management fees. We had an income of about $108,000. We had an unrealized gain in the portfolio of about $12.6 million. That brought us to that ending market value of $542.5 million. Fiscal year at the date, we began the fiscal year at $413.5 million approximately. We had a net cash flow of about $68.9 million. Of Because that fiscal net cash flow does include the funding note proceeds we received in October. Income, fiscal year to date, $550,000.

1:15:58 Fiscal year to date, we've seen appreciation in the portfolio of about $559.5 million. That brought us to the ending market value of $542.5 million as of February 29, 2024. I mentioned we paid $28,000 for the month in investment management fees. Calendar year to date, we've paid about $83,000. And fiscal year to date, we've paid about $186,000 in fees. Securities lending, month to date, we've collected about $2,400. Fiscal year to date, we've collected about $17,100. And now those proceeds were reinvested in their respective funds. If you look at the asset allocation market values, domestic equity carries about the bulk of the value of about $216 million. Our international equity, about $95 million. Our domestic fixed income portfolio, about $142 million. And alternative assets, of course, this excludes the member loans and our assets complexes, about $67.9 million currently.

1:17:09 and we had cash on hand of about $21 million. So that broad total asset allocation for the month, domestic equity was about 49%. International equity was about 14.9%. Domestic fixed income was about 22.3% of the portfolio. Alternative was about 10.7% and our cash position was about 3.3 percent i'm asking a question um the alternative assets 67.68 million dollars is that really the mall is uh based on based on based on current valuation and also including um our properties yeah so the mall is part of that yes okay yes so i've got 67 or 68 million forty one of that is more correct okay okay um oh mr chairman trustee that concludes my report i'm sorry happy to answer any questions any other questions for the investment officer no mr boris asks some tough questions sometimes show me i would like to take note and celebrate that the curve that we have there yes yes it's nice to see that heading up right direction so you're going to stock some bands market again okay um do you have a motion to accept the investment officers report so Second. The move by Trustee Smith, seconded by Trustee Bowery. Roll call, please.

1:19:06 Yes. Trustee Bowery? Yes. Trustee Bowery, yes. Trustee Dorsey, absent. Trustee Liger? Trustee Liger? Yes. Trustee Liger, yes. Trustee Russell? Trustee Russell absent. Trustee Smith? Yes. Trustee Smith, yes. Trustee Colwood? Yes. Trustee Calwood, yes. Mr. Chairman, four-yay to absent. Thank you very much. Next item, privileges of the floor.

Anyone?

1:19:42 All right. All right. I'd just like to wish the board and everyone a happy Easter season. Happy and blessed. Thank you. Thank you. Thank you. Thank you. Have a motion to adjourn? Move by Trustee Smith. Can I get a second? Seconded. Seconded by Trustee Bari. Roll call please. Trustee Bari? Yes. Trustee Bari, yes. Trustee Dorsey absent. Trustee Liger? Yes. Trustee Liger, yes. Trustee Russell absent. Trustee Smith? Yes. Trustee Smith, yes. Trustee Colwood, yes.

1:20:26 Colwood yes as he covered it yes Mr. Chair for yay to absence all right this meeting is head by adjourn thank you very much ladies and gentlemen

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.

10x **Trustee Leona E. Smith**
heard in this transcript as: Smith

9x **Trustee Ronald Russell**
heard in this transcript as: Ronald E. Russell, Russell

9x **Trustee Vincent Liger**
heard in this transcript as: Liger, Vincent G. Liger

5x **Trustee Andre Dorsey**
heard in this transcript as: Andre T. Dorsey, Dorsey

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

Bills and acts referred to

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

Referred to but not found in our acts corpus: Bill 35-0196