GERS BOT·s Monthly Meeting 10/26/23

GERS Retirement System (Board of Trustees)

October 26, 2023 · 1.1 hours · gov

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0:00:00 Hello? Someone there? okay good morning everyone this regular meeting of the board of trustees of the government employees retirement system for thursday october 26 2023 is here by call to order another roll call please mr dawson yes good morning mr chairman trustee nellin l barry present present Trustee Bowery present. Trustee Andre Dorsey. Trustee Dorsey absent. Trustee Vincent Liger. Present. Trustee Liger present. Mr. Chairman, I would interrupt the roll call if I may to read a piece of correspondence regarding um ex officio member Richardson yes i received correspondence yesterday from director Richardson that reads as follows dear CEO Dawson this correspondence serves to notify you that i will be unable to attend the GRS board meeting scheduled to be held on Thursday october 26 2023 in my absence miss florine ordain hassle assistant director will attend on my behalf thank you for your understanding and i look forward to the next scheduled meeting sincerely cindy l richardson director of the division of personnel uh so with that uh i take it we'll mark director richardson as excused for director richardson excused trustee russell Ronald E. Russell. Present. Trustee Russell, present.

0:02:22 Trustee Leona Smith. Trustee Smith indicated that she would be unable to attend today's meeting, so mark an excuse as well. Trustee Smith, excused. Trustee Dwayne Colwood. Present. Trustee Colwood, present. uh mr chairman we have four present one absent and one excused how many issues i'm sorry two excuse well i didn't count director richardson um in the excuse as ex officio okay all right um next item on the agenda do we have any comments and suggestions from retirees before we go on mr chairman i have a a question i don't know if um if attorney williams is is on the call yes do rules allow for a substitute for a board member who's absent the rules yes to the best of my knowledge the rules do not provide for a substitute um for example if you're absent you cannot send somebody to attend in your place in terms of having a vote um the meetings are open to the public so to the extent that you know you have a friend or colleague that you want to send to the meeting to observe they can do that but they certainly cannot participate and say i'm speaking on behalf of trusty boy or want to vote on behalf of trusty boy so so would that be would that be the official status for the substitute for um remember richardson no excuse me no no no if that be the official status for her i mean yeah

0:04:19 meaning that she could sit in and listen but she can't participate that's correct and i think in the past um even though individuals have appeared on behalf of um the director of personnel i don't know that they've ever actively participated or attempted to participate i think they're just basically observing or listening to the best of my recollection i don't know williams this is like um in in the sense that the person we're referring to is not a voting member does it really matter for purposes of voting purposes it does not no therefore the person could send a substitute because i i would i would imagine the only members that shouldn't be able to send um a representative would be the trustees no i i interrupted the question to to anticipate maybe some level of participation in terms of the person having a say when trustees are discussing the issue or something like that i mean obviously under no circumstances can director Richardson anybody on her behalf vote since she's ex-official so i didn't even anticipate um or take into consideration the question of vote i i interpreted the question as going towards the level of participation unless mr trustee boy wants to correct me no no i i understand that there's no vote involved one way or the other but uh yeah my question went towards participation um in in a board discussion okay

0:06:21 up to and including an executive session Does that respond to your question, Trustee Boyd? Yes, I understand it, but I'm not sure if the position is accepted by the board members, all the board members. since i've since i've been on the board there have been um multiple occasions where assistant director hassel um has sat in on the meeting on behalf of director richard said that she's never participated so it's never been an issue i don't anticipate it's going to be an issue um to me okay that's fine i mean i i agree with you it's never been an issue but that doesn't mean that it could make an issue in the future anyway that's fine i'm i'm good okay do we have any comments and suggestions from retirees all right do we have any comments and suggestions from active members hearing on let's move on to the secretary's minutes secretary's minutes um with respect to the minutes from the august 7th special meeting are there any corrections or edits hearing on can have a motion to accept the minutes from the special meeting

0:08:08 of August 7th, 2023? I would move that motion. I would move that motion to accept the minutes. I have an emergency that came up, Mr. Chair. I have to leave. I'm sorry about that. But I have an emergency that i um and i move this uh acceptance of the minutes um when you have to leave what time i i i it's after we accept these minutes i go leave okay um i won't try to come back on but i have to leave um and i i will take about an hour or an hour and a half okay to deal with what i got to do it okay okay so move i i move in that minute but i i don't have to leave sorry about it we have a motion on the floor to accept the august 7th 2023 minutes moved by trusty russell is there a second i i second it okay moved by trusty russell seconded by trusty barry kind of a roll yes trustee bowery yes trustee barry yes trustee dorsey absent trustee liger yes although i wasn't at that meeting but i will vote yes trustee liger yes trustee russell yes trustee russell yes trustee smith absent trustee colwood yes

0:10:01 Trustee Caldwell, yes. Mr. Chairman, four yes. Two absent. Okay. As Trustee Russell indicated, he has an emergency. He has to leave. So we're going to lose a quorum. My sincere apology, Mr. Chairman. Yes, accepted. My sincere apology to the members and everybody, okay? Accepted again. Thank you. Thank you. Trustee Dorsey indicated that he was running late, so we're going to reset for 58 minutes. hopefully we'll have a quorum, we'll be able to re-establish a quorum by then so this meeting stands in recess for 15 minutes Thank you. Thank you. Thank you. Thank you. Thank you. . Amen. . . Amen.

0:15:57 yeah i'm here some kind of voyage or something in the back room oh oh yes yes um let me put it off i was listening to the news yeah okay okay all right um we're back on the record we've got item number five with respect to the minutes from the regular board meeting of august 24th 2023 are there any corrections or edits that need to be made to those minutes hearing none can i get a motion to accept the minutes on the August 24, 2023 regular board meeting. So moved.

0:16:58 Moved by Trustee Dorsey. Can I get a second, please? Second. Moved by Trustee Dorsey, seconded by Trustee Bauri. Can I have a roll call, please? Mr. Dawson. Yes, Mr. Chairman. Trustee Bauri? Yes. Trustee Bauri, yes. Trustee Dorsey? yes trustee dorsey yes trustee liger yes trustee liger yes trustee russell um absent at roll at at count at vote trustee smith absent trustee colwood yes trustee colwood yes mr chairman four yay and two absent thank you mr dawson next up we have the minutes from the regular board meeting of september 28th 2023 are there any corrections or changes edits that need to be made to the minutes airing none can i have a motion to accept the minutes from the september 28 2023 regular boat meeting so move move by trustee dorsey can i get a second please second move by trustee dorsey seconded by trustee barry camera roll call please mr dawson yes uh trustee barry yes trustee barry yes trustee dorsey yes trustee dorsey yes trustee liger yes trustee liger yes trustee russell absent at vote trustee smith absent trustee colwood yes trustee colwood yes mr chairman four yes two absent thank you mr

0:18:54 darsten do we have any communications or correspondences uh the only correspondence that we had is the correspondence that i've already read into the record from director richardson regarding her absence all right thank you uh next item item number seven chairman's report i attended the groundbreaking for the haven development project on october 20th 2023 that concludes my report you want to announce it next you want to announce the next item next item the administrator's report thank you mr chairman uh good morning trustees and all in attendance in person or remotely um we did not uh get to i did not get to read the administrator's report um september 28th into the record in our last meeting since it was um what shall i say aborted the regular session so in a moment of personal privilege if i may i would like to just highlight uh two things from the from that report and um that would be to share with the board of trustees and all present that on august 31st i did have my confirmation hearing before the Virgin Islands legislature's committee and rules and judiciary and on September 2nd I was in fact confirmed as as administrator and CEO of the government employees retirement system so as I did at the legislature I would like to thank the board of trustees for their confidence in me

0:20:48 and certainly pledge to continue working very hard on behalf of all the retirees of the government employees retirement system and active employees as well so with that I'll proceed with the administrators report for October 26 2023 which I do believe has been properly circulated I'll begin with the meetings presentations and appearances since the last report which I just extracted two items from September 26th I held a transition meeting with the general counsel's office given the retirement of attorney Kathy Smith. Attorney Ishmael Myers has been designated by me as the acting general counsel in the interim period. On September 27th I attended a Haven development meeting with regards to the Hempton by Hilton project at the Haven site mall property. September 28th of course we had the GRS Board of Trustees regular and executive meetings even though once again the regular meeting was truncated. September 29th through October 4th I attended the International Foundation of Employee Benefit Plans annual conference. Trustee Russell was present at that conference as well and a few key employees attended also. October 11th I participated in a v3 migration assessment session, the first of a series of such sessions that are occurring as we ramp up the update from version 8 to version 10 of the v3 platform on october 11th i had another haven or attended another haven development meeting on october 12th i participated in the governor's workforce summit 2023 as a moderator of the preparing for the future of financial services panel. October 17th I conducted a direct reports meeting. October 17th I conducted a meeting with various Haven site mall tenants to go over some issues that they wanted to discuss along with key members of staff. October

0:23:21 18th we had another Haven development meeting which is typically a weekly meeting. October 19th, I met with the Development Committee Chairman, Trustee Russell. I also, on that day on St. Croix, attended the viewing of the late Senator Alicia Hanson. And on October 20th, I participated in the groundbreaking ceremony of the Hampton by Hilton Hotel at the Havenside Mall, which I must say was very well attended, very well covered by the press, and very well put together i'd like to also thank um miss asia clandinen um gums for all of the work that she has been has done in the past and continues to do with regards to haven development and the haven site mall so thank you miss comes continuing with the administrator's report in terms of member services and retirement applications in fiscal year 2023 we received a total of 220 retirement applications of which 80 have been processed to date leaving 140 that continued to be processed. So a completion rate thus far of 36%. In 2024, we have received thus far 11 applications, in fiscal 2024, 11 applications, all of which are presently being processed.

0:25:00 in terms of contributions processing refunds and as of present we have this is as of September 30th we have 919 cases involving refunds of which nine million eight hundred and fifty two thousand one hundred and seven dollars and forty three cents have been refunded to date the vast majority of those is related to employees who have left non-invested employees who have left government service and were entitled to receive their contributions back that totals some eight point eight million dollars uh in terms of death benefits in fiscal 2023 there were 43 death benefit cases that were completed for a total of two million ninety nine thousand dollars from the accounting department we can give an update with regards to current bi-weekly annuity payments for the period October 1st through October 15th 2023. There was a cumulative dollar payout of 11.1 million dollars rounded. Most of those are service retirement annuities which are 10.9 million dollars. The number of retirees added to the payroll from October 1st through October 15th 2023 was 14 and those 14 were paid on October 15th

0:26:58 2023 along with all the other annuitants. The number of employees that we expect will be place on the payroll for the period or for the pay date of October 31st 2023 is 10 and the number of retirees deleted from the payroll from October 1st through October 15th 2023 is 16. Just as a note the gross retiree payroll as I indicated earlier in this section has has arrived at $11,130,306.80. In terms of disbursements by location, we have a total of 9,161 disbursements with the October 15th payroll, of which 1,698 were outside of the virgin islands and 7463 were within the virgin islands the vast majority of those continue to be paid by ach at 9161 and i may have misspoken i we had 9 499 disbursements of which 9161 were ach and 338 were paid by a check so we continue to maintain a very good ach payout And I think some of those checks may be whatever leftover there is with regards to the Oriental Bank conversion from Scotia, where a number of our retirees needed to update their information. But I think for the most part, we've received all the information that we needed. In terms of the loan portfolio, we have, as of September 30th, 2023, 715 personal loans, outstanding, of which 303 are for active employees and 412 are for retirees.

0:29:13 and mortgages there is a total of 49 mortgages in our portfolio altogether the the portfolio in terms of dollars stands at seven million eight hundred thirty eight thousand six hundred seventeen dollars pivoting from loans to facilities there are no issues to report this time from St. Croix office complex which continues to be very well maintained. I was there as recently as a couple weeks ago. The St. Thomas office complex we are doing some routine maintenance in this case fixing of various potholes in the covered parking lot and just some touch-up maintenance painting to the exterior of the facility other ongoing projects as the trustees are aware in the 2024 budget we do have funds that have been allocated for the the capital improvement project to the St. Thomas complex most importantly to address some ADA compliance issues with regards to lobby atrium and restroom contract was made with an architect in preparation to start that project in this fiscal year the receptionist which is the ipad based application for logging entry and visits to the various departments and agencies within the GERS building on St. Thomas has been completed and from what I understand it's going quite well and it's quite an improvement over the previous system which required the maintenance of paper logs now everything is captured electronically upon entering the building and this is important for

0:31:25 the divisions within the GRS building on St. Thomas but might be particularly so for the Department of Justice which does make regular requests for information that would be helpful for their purposes so attorney Williams I and well maybe not mr. chairman but attorney Williams I hope that they logged you in today when you came in but the receptionist it shouldn't be a pain the second time though because you're already in the system which is what he told me but i had to go through the seriously you must have given wrong information well for everybody else except attorney williams is working quite well okay so um once again with the exception of attorney williams the receptionist seems to be working quite well uh moving on to haven site uh mall uh to facilitate in the first instance the construction project of the hampton by hilton hotel we are pending the demolition of warehouse 4a and 5 which cannot be executed until warehouse j which is a new warehouse facility is completed. The outer structure of Warehouse J is essentially complete, but the inner construction is ongoing nearing completion, and that's the addition of a mezzanine, since it's a two-story facility which maximizes the footprint of the property. Once the Warehouse 4A and 5 are demolished the Hampton by Hilton will be able to utilize that location for storage of materials of which there's a substantial amount of materials coming in in short order and thereafter of course that is a space that becomes the green space and the park public space that will be completed as part of the overall Hampton by Hilton project so we look forward to the demolition of warehouse for a and five so that it wouldn't be an impediment to the ongoing construction activities of course we've mentioned the chairman and

0:34:02 myself that we attended the the groundbreaking of the hotel on October 20th which was last Friday so far well and as I've indicated in my administrator's report earlier we have weekly project meetings on that construction so far 46 piles have been driven and it's moving quite quickly as far as the pile driving is concerned unfortunately I hope I don't put goat mouth on us we have received no complaints from our tenants or from our neighbor waiko and these buildings are in fairly close proximity to the construction site so that's really very fortunate that we haven't had any complaints i was over there for a period from last week before the groundbreaking a few days before and experience for myself that the pile driving really isn't generating much you can hear it but it's not really excessive so good work on the contractors there the generator for Haven site mall of course we know with WAPA's recent issues was quite a topical issue for us with our tenants because the legacy generator that Waiko operated generally only works for like a half hour and then it goes out. So we do have on site a brand new significantly sized generator that we cannot get installed because we're awaiting the permits for installation of the of the generator, as well as construction of the housing for the generator.

0:36:00 We hope to have those, I would think, within short order. Ms. Clendena, I don't know if you have an update on the date that we can expect those permits. We're still waiting on the CCM minor permit. So we've been in contact with the PNRs. But we've been promising and assuring our tenants that the generator, which is on site, by the end of the year we certainly hope will be operational so that if WAPA were to have any issues again in the future which generally we can count on we would be able to provide emergency backup power because we do not want a situation in which every tenant and we've had a number of requests putting in their own temporary generators that would be unsightly and also not very environmentally safe to have all that exhaust. In terms of the Haven site mall strategic and infrastructure planning, thanks to the Board of Trustees that approved that contract with a company by the name of Ideas, we've executed the contract and we actually had the first kickoff meeting a couple of weeks ago, or had the kickoff meeting a couple of weeks ago, you can only kick off once, right um there's a series of sessions um as part of the ideas uh strategic planning for the haven site mall that are scheduled for the week of november 13th and we're working right now on finalizing the list of potential invitees to that um to those sessions um still on the topic of haven sites we do have the haven site mall waterline replacement and rehabilitation project drawings are in progress presently the design criteria was sent to wapa for comments and the engineers requested a master water usage report as a part of this study that's being conducted with regards to office building rental and electricity

0:38:13 collections for the GRS properties which would be the St. Thomas complex and the St. Croix complex as of the September 30th we've shared information in the administrators report as well as an attachment to that report that shows that there was an arrearage of $68,762.84 as of September 30th however I'm happy to report that with recently received payments that arrearage report would only reflect today an arrearage of two hundred and thirty two dollars and some change well $231.89 so our rental arrearage is essentially nil at this point as far as new and renewal leases the division of personnel is current with their payments of course we have a renewal lease that was finalized and signed by the governor uh the new rates uh results in an in an additional five thousand eight hundred twenty four dollars and 64 cents in monthly uh rental uh including cam charges that are effective on october 1st that were effective on october 1st 2022. so we've essentially gone from $13,189 per month to $19,014 per month with the Division of Personnel.

0:39:58 The VI Police Department, there were some revisions made to the lease just last week, And we project that VIPD, specifically the records division, firearms, I'm sorry, records and firearms will be taking up tenancy on the ground floor here on St. Thomas by the beginning of January 2024. The casino control commission, we're still working with them on their lease terms. I made some recommendations to Ms. Glendinen with regards to what I would be willing to accept. She shared that with the commission and they'll be circling back to us with their position. Department of Justice, as I indicated, We received our delinquent payments from them, and they're working on getting their act together for the new fiscal year. So I think that as far as rent is concerned, that is a success story at this point in terms of rental increases and rental collections. So with that, Mr. Chairman, that concludes the administrator's report.

0:41:28 Any questions for the Administrator? All right, hearing none, let's move on to the committee reports. The Investment Committee met on Tuesday, October 24th, to get an update from our financial investment managers with regard to the performance of our portfolio, both with respect to our overall numbers for the fiscal year that just ended October 1, as well as a few items that may affect the outlook moving forward. Shows to also have to leave, I know that the development committee met since our last meeting. any other committee chairs all right treasurer's report mr. Irwin I'll share my screen Good morning, Board Chair and Other Trustees. This is the schedule of receipts and disbursement for the government employee system for the month ending September 30, 2023. Receipt From collections, we collected $424,437 in loan repayment, year-to-date $6,818,598.

0:43:15 Employee retirement contribution, we collected $7,364,506, year-to-date $101,098,022. employee retirement contribution four million eight hundred eight thousand six hundred and forty year to date 56 million two hundred and sixty nine thousand one miscellaneous we had 252 113 year to date 5 million 18 406. total collections for the month of september is 12 million 78 thousand one hundred and eighty year to date collection three hundred and twenty seven million nine hundred and ninety thousand nine nine nine our disbursement for the month we have annuity payments of twenty five million three hundred and ninety five thousand nine hundred and fifty two Year-to-date, $281,274,133. Admin expenses for the month of September, $956,246.

0:44:29 Year-to-date, $15,296,478. Refund of contributions, we had $1,303,293. dollars year-to-date refund twelve million six hundred and forty four thousand two hundred and three total disbursement for the month of september was twenty seven million seven hundred and one thousand four hundred and forty five year to date three hundred and nine million four hundred and for a net cash deficit in September of $15,623,265, and a net cash surplus year-to-date of $18,518,187.

0:45:24 withdraw from the investment portfolio 130 million for fiscal year 2023 and our administrative expenses were 98 of the budget for the haven site mall before you go i have a question oh this when you see you were due 130 um million from the portfolio but we are we also added 158 right correct i mean so okay so i mean i guess it's technically true that you we drew but they you sort of leave the impression that you that that the um that the portfolio was was drawn was reduced by that amount i know if there's a yeah yeah that's what i said 158 million oh we invested that and we have to turn around and excuse me yes i understand that's exactly my point and as i say it's technically it's technically true that we're doing but i don't know if we could we should by the line let's say there's an there's a net withdrawal or net something i mean it's kind of we leave it high in there it sounds it's it's certainly the impression that we that the the portfolio was was reduced by 130.

0:47:02 Excuse me, Trustee Bore, you'll see that in my report coming up. Yeah, I do see it, exactly. I know I don't see it, but I mean, I guess I'm just nitpicking there, but if you just read this on its own, and if you don't go on and read the rest of reports it's hard to sound like the the the portfolio was reduced by by 130 well let me say that we drew the 130 you can also put a line that says we added on 58. but it's a part of your number your year to date number at the top exactly so it's there it's well in terms of the net effect if i may mr chairman uh and trustee bowery appreciate the uh the discussion um we can see that um the net effect for the year of all the transactions including the funding notice that we had a net cash surplus of $18,518,000, which compared to the net cash deficit of $31 million at the end of the prior fiscal year would indicate a swing of almost $50 million. Okay, I guess, as i said there's nothing technically incorrect about what's there it's just it's just presentation that's the way it comes across i mean you just read that line um that that will be due 1 30. um and if i may it was requested by the board just

0:48:55 what i have there the board requested that line yeah and i'm not suggesting you move it and this is not another line anyway trustee dorsey i appreciate your uh feedback i'll work with trustee barry i'm sorry trustee barry i appreciate your feedback and i'll work with mr jeremiah as to how we could capture um your point in the in the presentation okay thank you my point of information chair um i i definitely agree with trustee bory on adding the additional information um just for the record this information or this discussion came up before i thought we did make that request but apparently we did not make that request for that additional information in this section so if we're going to do that that would be great so i appreciate the discussion thank you yes rc dorsey okay haven side schedule of receipts and disbursements for the month ending september 30th 2023 we collected three hundred and ten thousand one hundred and sixty four um year-to-date collection five million one hundred and forty one thousand three hundred and sixty seven we had um expenses of one million two hundred and thirty thousand ninety eight dollars year to date five million eight hundred and eighty one dollars and eighty one thousand at six hundred and eighty six we had a net deficit of nine hundred and nine thousand nine hundred

0:50:48 and thirty four for the month of september and a net deficit of seven hundred and forty thousand 319 year to date um our year-to-date collection increased by 39 percent over last fiscal year to date collection we um expended um 91 it increased over last year and our expenses were 73 percent of budget that ends the reading of the schedule of receipts and disbursements too thank you mr jeremiah any questions trustees investment officer okay um next item the investment officer's report oh wait wait wait can i have a motion to accept the treasurer's report so move can i get a second second okay motion to accept the treasurer's report moved by trustee dolce seconded by trusty barry can have a roll call please yes trusty barry yes trusty barry yes trusty dorsey yes trusty dorsey yes trusty liger yes trusty liger yes trusty russell absent trusty smith absent trusty callwood yes trusty callwood yes mr chairman four yes uh two absent thank you mr darcy next up the investment officer's report

0:52:44 uh good morning mr chairman other trustees um and everyone in the listening audience uh this is an update of the investment portfolio performance as of september 30th 2023 uh to summarize activity for the month uh global share fell in september uh u.s equities declined at the prospect of a sustained period of higher rates sinking with investors. The eurozone share fell amid concerns over negative effects of interest rates on economic growth. Emerging markets underperformed as concerns that strength in the U.S. economy will keep interest rates higher for longer, had a negative effect on overall risk appetite. Government bond yields peaked in September before slightly retreating at the end of the month. As it pertains to performance, and again, I remind you that our performance numbers include local assets, excluding the member loans program and our asset complexes. So, for the month of September, the total plan returned was down 3% for the month. Our total domestic equity portfolio returned was down 4.7 for the month. Our total international equity portfolio returned negative 3.2 percent. Contributing to that performance, our developed market portfolio was down 3.4 percent. Our emerging market portfolio was down 2.7 percent. As it pertains to our fixed income portfolio, total domestic fixed income was down 1.6 percent uh total investment grade bonds was down 2.5 our tips portfolio was down also 1.8 percent and our high yield bonds which um was the um loan positive performer for the month was up 1.3 percent our total alternative portfolio was down

0:54:46 1.3%. Physical year date, the portfolio was up 6.2% total. What did that relate to in activity? So, as of the end of September 3rd, 2023, we ended the month at approximately 413.5 million. Again, this excludes our member loan program and our assets complexes. We didn't raise any funds in the month of September. So if you look at the record of asset growth there in the middle, we begin the month at a market value of $446.8 million, rounded. We had a net cash flow of about $20 million from the portfolio. We had a negative income of about $1 million. We had an unrealized loss in the portfolio of about $12 million rounded, which brought us to the ending market value of $413.5 million. If you look at the physical year to date column, we started the physical year to date at $355.2 million rounded. We had a net cash flow of $27.8 million. And this comes into, I guess, Mr. Boris's question on the previous report. So we got that $158 million from the funding note in October. We saw those draws of $130 million. Well, actually it's a little more than $130 million because it would include also what we paid for in management fees, which brought us to that net of $27.8 million. We had negative income of $4 million. We had a gain in the portfolio, unrealized gain in the portfolio of $34.7 million, which brought us to that ending market value of $413.5 million fiscal year-to-date ending September 30th. As it pertains to fees, month-to-date we paid $34,000. That consisted of $23,000 in investment management fees and $11,000 custodian bank

0:57:07 fees. Calendar year-to-date we paid $288,000 and that comprised of $72,000 investment management fees, $141,000 investment consultant fees, and $75,000 in custodian bank fees. And for fiscal year to date, we've paid a total of around

$396,000. And that included $130,000 investment management fees, $177,000 investment consultant fees, and $89,000 custodian bank fees. Securities lending, month-to-date, we received $3,677. Those funds were reappropriated back into their respective portfolios. Year-to-date, we've earned $28,000. And fiscal year-to-date, we've earned about $31,000 from securities lending. Mr. Chairman, trustees, that ends my report, and I'll be happy to answer any questions. Point of information, Chair. Mr. Henderson, the $12 million, what was that again? What exactly was that $12 million loss, you said? So this $12 million, $12.2 million would be the unrealized loss from the investment activity for the month of September.

0:58:32 Okay. you can break it down a little bit more uh so based on the based on the activity or for the month our portfolio has lost value in up in the pro in the approximation of about 12 million dollars so mr mr henderson and uh trustee dorsey if i may expand on mr henderson's uh statement the reason that it is characterized as unrealized is that of course in the investment portfolio you may have stocks that and in our case is based on index funds that fluctuate in value but unless you actually sell the the stock and realize a loss it's an unrealized loss and there's no expectation that we would be selling those stocks at this point so it is unrealized it's the natural fluctuation of the market it's very important to point out based on the investment uh committee meeting that was held this week that the portfolio uh year to date is actually up by eight and a half percent yeah and i appreciate that um ceo i was going there in reference to the index funds and if in fact that's what it was if we actually extracted that so you clear that up so i appreciate that right so mr Anderson's report is focused on the month of september we're looking not at any given month but at the performance of the portfolio over a period of time typically a year and year to date as i indicated we are up eight and a half

1:00:20 percent all right that's correct correct and trusty dorsey if you look at the physical year to date column that's 34. that's i understand fiscal fiscal year that's what i said yes if you look at the fiscal year to date column you'll see that 34.7 million that constitutes that that 8.5 that we were just speaking about or that um administrator dawson was just speaking about okay i appreciate that too you're welcome it makes sense now thank you any other questions for mr henderson hearing none can i have a motion to accept the investment officer's report so move can i get a second please second all right moved by trusty dorsey seconded by trusty russell cannot i mean trusty barry can have a roll call please mr dawson yes mr chairman uh trusty barry yes trusty barry yes trusty dorsey yes trusty dorsey yes trusty liger yes trustee liger yes trustee russell absent trustee smith absent trustee callwood yes trustee callwood yes mr chairman four yes two absent all right thank you um can i have a motion to go into executive session mr chairman before um the motion is entertained may i um indicate uh that the uh document that that was slated on the agenda.

1:02:12 I'm open. Let's go into executive session first. Okay. Can I have a motion to win executive session? So moved. Second. um trustee barry could you read could you read out the reason for going to executive session as stated on the agenda okay let me spoil that question oh let me okay um um this portion of the meeting will be closed to the public for matters pertaining to trade secrets or financial or commercial information or personal or legal matters or matters whose premature disclosure will frustrate the implementation of the proposed agency action moved by trustee bowery seconded by trustee dorsey cannot roll call please mr uh Dawson? Yes. Trustee Bowery? Yes. Trustee Dorsey? Yes. Trustee Liger?

1:03:29 Trustee Liger? Yes. Trustee Russell absent. Trustee Smith absent. Trustee Colwood? Yes. Trustee Colwood, yes. Mr. Chairman, four yes, two absent. Okay, let's take one minute so that we can clear right and that's when they voted under consent judgment i mean i know all those well okay um we're back in regular session um during executive session the board discussed Appendant legal matter. Can I get a motion to adjourn?

1:04:22 So moved. Motion to adjourn, moved by Trustee Bowery. Second. Second by Trustee Dorsey. Have a roll call, please, Mr. Dawson. Yes, Mr. Chairman. Trustee Bowery? Yes. Trustee Bowery, yes. Trustee Dorsey? Yes. Trustee Dorsey, yes. trustee liger yes trustee liger yes trustee russell absence trustee smith absent trustee colwood yes trustee colwood yes mr chairman for yes to absent all right this meeting is here by john um thank you folks thank you all right thank you thank you gentlemen thank you Yes, could you set forward me that October 30th?

1:05:35 Thank you. Thank you. Thank you. Thank you.

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.

11x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

6x **Trustee Ronald Russell**
heard in this transcript as: Russell

5x **Trustee Leona E. Smith**
heard in this transcript as: Leona Smith, Smith

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

2x **Senator Alicia Chucky Hansen**
heard in this transcript as: Alicia Hanson