GERS BOT·s Monthly Meeting 12/22/2022

GERS Retirement System (Board of Trustees)

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0:00:00 Trustee Dorsey, I think he's excused, Mr. Chairman, because of his, I saw a memo. Okay, I didn't see, so. There's a jail or something, he had an operation, excuse. Trustee Liger? Here. Trustee McDonnell absent. Exofficial member Sidney Richardson, I saw a letter yesterday. yes he's excused justi russell here was this net present chairman callwood present five present two excuse i mean five present one absent and one excuse okay we have a quorum um before we proceed can i have a motion to go into executive session to I want to address one matter.

0:01:11 I second. Trustee Bowery? Yes. Somebody devices are muted. Trustee Dorsey absent, Trustee Liger? Yeah.

0:01:39 Trustee McDonnell absent, Trustee Russell? Trustee Russell? No. And I have a serious problem going into executive session. and and i need your cards to vote your cards to vote mr um well i i i i don't exit the meeting because i got i got to i got to i got to raise this issue executive session for me and i got i got i got to deal with it but if you're going to do it exactly the session i am not participating in that okay and that is fine your cards to vote um mr niss can you continue with ROLL CALL, PLEASE. JOSEPH SCHMIDT.

0:02:28 YES. CHAMELINE CALLWOOD. YES. 4 YES, 1 NO, 2 UPSENT. MR. CHAIR, I WOULD JUST LIKE TO MENTION THE REASON THAT WE ARE GOING INTO EXECUTIVE SESSION. GO AHEAD. IS FOR MATTERS PERTAINING TO TRADE SECRETS OF or financial or commercial information or personal or legal matters or matters whose premature disclosure will frustrate the implementation of the proposed agency action. Thank you.

0:03:05 And I would ask for a point of personal privilege before you go into executive session, please. Denied at this time. Mr. Moses, please excuse everybody out of the room that needs to be out except those that are here in reference to the Sauramata. Mr. Moses, is everybody back in?

0:04:19 okay um okay all right item number three on the agenda comments and suggestions from recording in progress hearing none item number four comments and suggestions from active members airing on item number five secretaries minutes for the regular meeting of november 28 2022 mr chair make a motion to approve the minutes we'll have a second there are a couple of corrections i think i think this is for the 11th correct just some a couple of just some type of kind of changes um hold a second on page on page 10 of the minutes um it says total plan return of 0.1 percent total fixed income portfolio return 0.4 and it has a dollar sign it's actually a percent sign okay right and on that same same page it said on the cash flow So I said the cash flow for the month ending October and beginning, ending October is 512 million and beginning October of 355.

0:06:37 So I'm not sure how that's... if i may mr chair are you debating the the difference the increase it says uh cash flow for the month ending okay okay okay yeah it's correct yeah i i i misread that okay okay yeah ignore ignore that that was my bad okay so so i vote in favor okay okay so it was moved are you seconding the um the emotion i thought i thought somebody seconded it already if not yes no okay it was moved by trustee smith seconded by trustee barry can i have a welcome mr nibs trustee barry yes trustee dorsi absent trustee liger yeah trustee mcdonald absent trustee russell and that's what so not voted Trustee Smith?

0:08:03 Yes. Chairman Carwood? Yes. That's four yes, one not voting, two absent. Okay, next up, communications and correspondences. Good morning. The first piece of correspondence is from myself to the AG. This was taken care of. We had submitted a notice to quit.

0:08:30 However, I think yesterday or the day before, the lease was signed by DOJ. So, you know, a lot of order to rehash that. I got an invitation, I also think the chairman did also, to appear before the legislature on December 29th, 9.30, in regards to Bill No. 34-0370, a resolution mandating the president of the 34th legislature of the Virgin Islands to institute a civil action against the government employees' retirement system of the Virgin Islands for its failure to implement the provision of Title III, Virgin Islands Code, Section 717B17, 71C, 719B, 766B17, 766B18, and 766C.

0:09:29 Also, I sent an email to Delegate Plaskett, and also a manager in our office in Washington, bc in regards to meeting with this senator it reads good afternoon delegate plastic season greetings to you and your family and staff members of the policy committee of the grs board of trustees and staff will be attending the nc first annual legislative conference in washington bc in january 2023 city attachment a portion of the conference is set aside for congressional visits the grs would like to meet with you on tuesday january 20 2023 january 23rd i think before 2023 if you are not available on that date and time requested please advise what other dates and times during the visit is available we look forward meeting with you i've been in contact with the office in washington and also the office in in the st thomas as a follow-up as a follow-up to the date. Also, I have written again to the Royal Assess-Snyder Hospital CEO in regards to some outstanding contributions that are due to us. As of December 14th, there were some outstanding payments in the amount of 1.1 million dollars. Additionally that owed us some more payments for deductions like mortgage payments for about three thousand dollars and also a passive personal loan for three thousand three hundred and sixty four dollars fifty five cents and a mortgage payment of $7751.28. I sent a follow-up letter a couple days ago. We're waiting the response from them. Only Royal Esther, Snyder and WAPA are the ones really that are in a race. The other plan sponsors are doing pretty well. That ends the correspondence. okay thank you um next item chairman's report i attended the staff development training um activity on december 12th that's it that concludes the chairman's report before i move on mr chairman uh At some point, we're going to discuss the letter, the government's legislatures plan to sue GRS.

0:12:21 Yeah, it's on the agenda. Oh, okay. Okay, administrator's report. Good morning again. On November 21 and 23, we met with Havenside tenants. On the 29th, we had a joint division activity center meeting in regards to SOPs and issues of the operations. On December 1, we met with the GAO representatives. On the 6th, we met with the accounting leader in regards to collection issues at the Havenside Mall. On the 12th, as the chairman said, we had an annual employee recognition activities, which went very well. 13th we had an investment committee meeting i attended investment committee meeting on the 14th there was the annual christmas tree lighting at havenside mall with the governor on the 16th internal meeting with staff to discuss bill number 340370 on the 19th we had our uh havenside mall oversight committee meeting on the 20th we had a joint meeting again to discuss sops and other internal issues um there are 211 applications that still have not been processed uh the majority of those applications uh in 2022 um there was a slow down obviously in in um annuities initial annuities because of the central government's delay in submitting files so we have paid out a significant amount of annuities between November and December mostly education teachers so however we still 211 of the 211 eight have submitted already for the 2023 retirement life certificate still the same we receive a total of 259 of the 263 same thing with the disability cases there are four pending disabilities in the legal office refunds non-disability cases 78 letters will be allowed to date we have received 75 those who have not responded annuities will will be suspended until

0:14:43 the responses received refunds we refunded 2.1 2.2 million dollars of that amount uh 2.2 million dollars was for those that were not vested that benefits we paid out 265 147 dollars from october through november 30 2022. the accounting as of uh december 15th payroll number of retirees on that payroll was 8 716. um the amount paid out from october 1 through december 15 54.8 million dollars number of retirees added to the payroll for the same period 54 the number deleted from the payroll was 71. The gross payroll for December 15th was $10,958,570.06. Loan portfolio. Loan portfolio has, as of November 2022, 1,191 units left with a total of outstanding of $13,103,254.97. In regards to operation, no major issues reported St. Croix complex, St. Thomas building, a 20-way warranty was issued and the contracts completed and the finishing touches on the flat roof, that's the flat roof of the GRS building. The roof work has been completed.

0:16:25 Havenside Mall, just gave you a picture of what's going on. As you can see, the demolition with the warehouse is 3 and 3A. It's completed demolition, but there's some cleanup work left, I guess. Ms. Fleming can chime in. But this is what, as you can see, demolition has started. Mr. Nips, we can't see your whole screen. Excuse me?

0:16:53 we could see the screen now we couldn't see the screen before i'm sorry you couldn't i couldn't see the picture i could see it now thank you oh okay as i said this is the demolition it's going pretty well um the contractor began work on december 31 on warehouse 4 this is the uh warehouse or this is warehouse g what has been done in this warehouse warehouse J is the warehouse that is going to be renovated to house the inventory of some of the tenants. That's the only warehouse that is going to remain standing. The schedule as you can see phase one warehouse three and three was completed. We just saw that where phase two warehouse J and a section of five is in progress and remainder of phase three remainder of warehouse five four and four A pending and the welcome center also this timeline is scheduled six months for demolition and six months for the repairs additional replacements for warehouse j as far as the hotel development uh still awaiting um information for hearing from the ccm um and the mr miller is providing whatever information that is needed however um it's spending a hearing hopefully we get that done the beginning of january 20 23 of february historic preservation we as you know they are interested in in um in the white house to have a museum and we have signed at mou with them and bronze statue on the clear space,

0:18:37 the space in the area where some of the warehouses are being demolished. We have also signed an MOU with them. The rentals. I'm not sure that is, let me see. That is not correct. This here is not correct. I'm sorry, it should be out.

0:19:11 I'll show you this. That was last month's. Lease is Division of Personnel. We came to an agreement with Division of Personnel. The target date for completion is December 30th. A few items, but I think we are on a part to get a lease. The Department of Justice has signed a lease and returned it to us, I think, yesterday, the day before. Bonus payments in accordance with Act 8578, they had all the additional payments to retirees for fiscal years 2018, 2019, 2020. 2021, in addition to the annual bonus payments for 2022, were paid. And so as you can see, all the retirees who were paid bonuses for those four years have received additional bonuses. Also 2022 was also paid last week, a couple of weeks, or last week I think. The beneficiaries of the deceased retirees who received the annual B.I. lottery bonus for fiscal years 2018, 19, and 2021 will receive their net payments after the diligence protocol is completed. As you know, we have to pay out all the beneficiaries that are on there in the records could be more than one okay the rental collections disregard the amount in the um in the narrative in november we collected rental collection of 45 522 41 cents uh electrical was 37 128 10 cents collections year to date 135,190.30 cents for rental electrical is 98,146.37 cents so we have today collection

0:21:06 of revenues both rental and electrical is 233,336.67 cents we do have some rare age again popping them back up, rare age is $59,234.16 of rents, and electrical is $1,732.68, and those are rare ages for the month of November, okay? That ends my report, Mr. Chairman.

0:21:45 Any questions? I'm not hearing you, Mr. Chairman. I'm sorry. Computer was muted. Okay, hearing none. Let's move on. Hi. Oh, wow. You just went for your car? Committee reports.

0:22:13 okay you see that way okay the investment committee met on december 13th um received an update from our investment advisors any reports or many other committees all right next up treasurer's report okay i will share my screen good morning both and other trustees I don't know what's going on. It's not coming up.

0:23:20 We've seen it. We've seen it, Mr. Amaya. We've seen it. Oh, okay. You've seen it? Okay. Yes. This is the, for some reason, it's not showing on my screen. Okay. I get it now. This is the schedule of receipts and disbursement for the government employees' retirement system for the month ending November 30th, 2022. We have receipts from loan repayments, $662,865. Year-to-date, $1,360,715.

0:24:01 Employer retirement contributions, $6,932,963. Year-to-date, $14 million. 367,700. Employee retirement contributions, 4,064,707. Year-to-date, 8,324,998. We have a total collection for the month of November of $11,719,643, year-to-date collection $183,422,073.

0:24:46 In disbursements, we have annuity payments of $28,555,407, which includes the bonuses from the lottery. Year to date, $50,762,113. We have administrative expenses of $942,947. Year to date, $2,018,843,000. We have refund of contributions of $1,560,741. We have year to date refunds of $2,310,849 for total disbursement of $31,079,602, year to date $55,134,209. net cash deficit for the month of november is 19 million 359 960 year-to-date net cash surplus is 128 million 287 864. our year-to-date withdrawal from the investment portfolio is 15 million and our administrative expenses is 13 percent of budget for the haven site mall we have collected 592 842 for the month of november year-to-date collection 989 301 Our disbursements, we have a total of $215,043 year-to-date, $378,960.

0:27:03 Our net cash surplus is $377,798 for the month of November year-to-date, $610,341. And so far, our year-to-date expenditure is 13%, or 5% of budget, I'm sorry, for Havenside Mall. And that ends the reading of the Chair's report, Board Chair. Thank you, Ms. Jeremiah.

0:27:47 um next up or need a motion to accept the treasurer's report yes sir so moved can i get a second second all right move by trusty barry seconded by trustee lager can have a roll call please let's see boring yes trustee dorsey absent trustee leiger yeah trustee mcdonnell absent trustee russell yes but i don't think trustee dorsey is absent you know i think he should be marked excuse because he was marked accused he was marked excuse in the roll call oh okay yeah i okay i Yes. Trustee Smith?

0:28:47 Yes. Chairman Calvert? Yes. Five yes, two absent. All right, next item on the agenda, the Investment Officers report. Good morning, Mr. Chair. I'm sorry. Morning, morning. one second could you guys see my screen yeah yeah okay all right so this is an update of the investment portfolio as of November 3rd 2022 um this um performance update includes what would be a full month of um performance um as it relates to our reallocation to the new investment policy our targets. The total plan returned 3.5% for the month. Fiscal year to date, we're up about 1.5%.

0:29:48 Total equity returned 7.5% for the month and outperformed its benchmark by 2.3%. Total fixed income was also up 2.8% for the month, slightly underperforming its benchmark by 0.8%. percent and our total alternative was down slightly by negative 1.7 percent our notable fund performance for the month our russell week 3000 index was up about 5.2 percent our mici msci ifa index um portfolio was up 11.3 for the month and our emerging market index fund was up 16.1 percent for the month um as it pertains to activity cash flow activity for the month we ended the month at approximately 514.9 million um we did liquidate the blackrock our blackrock fund which was approximately about 132 million at the end of november and those funds were reallocated towards our new policy targets so we began the month at approximately 512.4 million we had a net cash flow about 15 million dollars we had our unrealized gain in the portfolio of approximately 18 million that brought us to that 514.8 point nine million at the end of November 30th. As it pertains to fees, we paid about $58,000 a month to date in investment management fees. Calendar year to date, we've paid about $431,000. And fiscal year to date, we've paid about $108,000 so far. Year to date, we've collected about ending, I guess, November so that we've collected about seven thousand dollars in securities lending

0:31:45 fees um as a chair trustee if that concludes my report for the month of november 30th ending any questions i'll be happy to answer yeah i got a question um that excuse me is that the first month that we get data regarding the revised portfolio i've correct trustee trustee and and so um specifically what i i i'm not following which are the um in investments that that ticked up okay so we did add the equity the the new the newly established equity positions in the fund so that was russell 3000 index which was up 5.2 okay they'd also add the international index which is the e-fee that was up 11.3 for the month and we also added the emerging market index which was up 16.1 percent for the same period okay good and that that i did yes we also added um the high yield account i think that was up about 2.2 percent and we also added a tips tips um account as well and i think that was up another three percent for the month okay good good good so that okay yeah i i wanted to get that clear and i think anybody who is listening will understand how we report difference from what we were doing previously. Thank you very much.

0:33:36 Thank you. You're welcome. Any other questions for Mr. Henderson? Aaron, can I have a motion to accept the investment officer's report? move second moved by trustee smith seconded by trustee russell canada will have mr Yes, I'm muted. Trustee Bari?

0:34:26 Yes. Trustee Dorsey absent. Trustee Liger? Yes. Trustee McDonnell absent. Trustee Russell? Yes. Trustee Smith? Yes. Chairman Caldwell? Yes. Five yes, two absent. Thank you. Item number 12 on the agenda, new business, 2023, board meeting calendar. April 27th meeting, I don't know what Carnival Falls in 2023. but that that might be that date might fall in the carnival so are we amicable to move in the top to the 20th so you mean so is that is that carnival week you're saying i i believe so well i don't have any problem moving it and um i i won't object to that but i mean the alternative is to is to wait until we confirm yeah yeah yeah yeah because because we also have um the holy weekend between it so good morning good morning um the carnival is actually the 23rd so is that that week also carnival is the 23rd yeah april they start a carnival yeah so

0:36:21 will something be happening on the 27th yeah it doesn't mean like that okay so let's move it to the 20th yeah so we'll move the april date up to the 20th um anybody else see any other potential okay i don't i don't see any other um i don't see any other potential problematic dates other than april so april we moved the meeting to the 20th instead of the 27th everybody good with that yeah so you need a motion to to set the calendar as as revised I'm not sure. Mr. Nibs? Yes, that would be appropriate. Yes, you do. Okay.

0:37:35 I move that we accept the calendar as presented and as revised. Do you have a second? I second. Okay, move by Trustee Borey, seconded by Trustee Liger. Can I have a roll call Mr. Nibs? Trustee Bari? Yes. Trustee Dorsey absent. Trustee Liger? Yeah.

0:38:06 Trustee McDonnell absent. Trustee Russell? Yes. Trustee Smith? Yes. Chairman Calvert? Yes. Five yes, two absent. Thank you. Item number two. I'm sorry, Chairman, before you move on, are we going to select the dates for the board retreats? Because we didn't have anything for those dates. I blocked it out for July.

0:38:42 But, yeah. I would, July, yeah, but I would think that we should ask the major presenters in availability, we should set a date and ask them if they're available. Usually it's the second week in July, isn't it, Ms? This year it would probably be the first. We did the third week last year. Yeah, well, I think we should look at the 12th, 13th and 14th. and then in 19, 20, and 21. So we can give them two set of dates and see if they're available. The major presenters would be Siegel, Mikita, and the auditors. And those attorneys that are doing the, so we can give, open it and ask them about those dates. That would be my recommendation. I'm fine with that.

0:39:49 any other trustees have any issues concerns with that yeah i'm good all right so we'll work with those two sets of um two sets of dates and then finalize the dates and the availability of the major presenters Okay, item number two, discussion of bill number 340370.

0:40:32 As Mr. Nips indicated earlier, I too received an invitation to testify on December 29th. We dissected a bill, and that bill is a resolution asking the president of the 34th legislature legislature within 10 working days of passage of said resolution to file a lawsuit against the GRS for not implementing the reinstating the loan program as for the timetable set in the in the bill that was passed before um any other trustees want to weigh in my position is um we don't have as a board we don't have an issue you know with reinstating the loan program however we do have a fiduciary responsibility to the system and we're not at that point yet where it would make sense or it would be the responsible thing to do to reinstate the loan program um and then the trustees want to weigh in on their position on the bill well i think i think we said we're going to revisit the um the loan program and if anything we were going to uh reinstated in the next two years um i don't know um how that stands um as of now so i don't have mr mr nipska weighing on that but i think that was the last conversation um we did have and and that was that was put on a record um at the legislature and i'll be on this bill is is pure papisha i didn't even try to to sugarcoat it it's pure population is that correct yes you're correct i mean we in the board retreat uh we recommended uh reinstatement of the personal loans october 1 2024 and the mortgages october 1 2025 and we

0:42:37 did say that the and in in publicly that the board would be visited based on um the um cash flow and liquidity of the system so if the board feel that they can do it before then fine if not those were all recommended dates but it all hinges on obviously section 717b of the of the vi code regards to prudent investor standard i mean the board had if i juice has a fiduciary responsibility to make investment decisions and they're not there yet with the program we have a date that we're looking at then the board is not opposed because it brings in you know it brings in interest to us and we're not opposed to it but i think the board would have to rely on section 717 b student investor standards correct thank you for that i have a couple of questions now for the attorneys federal so what what's what's what's what's worst case scenario from a legal perspective so there's legislation on the books that says what but what does the legislation require us to do good morning i did not go back and look at the previous bill my general understanding it it says that the board should reinstitute um that's a reason too but there should be a loan program and it limited what was there in the original code i don't recall that there's a time frame in which that was to be done but i'm subject to correction on that issue i think if your question is what the words that could happen if the legislature passes this resolution. And in fact, and I'm not sure from a practical standpoint how that happens for this Senate president to institute a lawsuit within 10 days. If this session is on December 29th, I don't know that this legislature, the 34th, would be in effect 10 days thereafter. So maybe it really becomes sort of a moot point unless the next president takes it up. But putting that side, they institute a lawsuit, they file a complaint. GRS has, you know, 20 days to file an answer. At some point, I suspect they'll file a motion for some rejudgment. Yeah, okay. I mean, end game. Let's say we go through all that and it goes to court, I'm assuming.

0:45:29 uh and and then what i mean and the judge and the judge orders the system to um start issuing loans within a date certain that could be done and and even at that point i think the system or the trustee still have to decide whether that's a prudent thing for the board to do but but but can can the court hold the board responsible if if if the if if the court orders the board to do something and the board refused to do it then what yeah i mean the legislature could then move and ask the judge to hold the board in in content content and whatever sanctions the court issues you know whether it's a monetary sanction or give you another date by which to comply or decide to put somebody in jail i mean the court has all those options so so the the judge could could order seven trustees the six trustees to go to jail for 30 days in a sense yes but it's probably unlikely but they can and then what you serve if you if you order you to serve 30 days you serve the 30 days and then you come out i don't like i don't like orange suits but but again i'm assuming in the course of this litigation

0:47:17 We were put before the judge, you know, all the financial information as to why it may not be a prudent decision to do that before the days that we've already indicated, again, based on the condition in terms of the liquidity of the system and how the investments are doing. And I want to think that most judges will understand that and will take all that into consideration before we get to those drastic measures. The legislation that's in place now, does any of it give a deadline by which we have to implement it? That's what I said. I don't recall if it did. I don't know if Kathy or... Yeah, I have it open and it just says that you shall, the system shall make personal loans. That's the new section they added. And then it gives the amounts, the lower amounts, but it does not have a date.

0:48:20 Okay. And also, Mr. Chair, we can also appeal it. So if the Superior Court orders us to install it, you know, to process loans or to start giving loans, we appeal it and go up the system. And that takes a while. I just didn't say too much because I know this is a meeting open to the public and I show the people I'm having, the people monitoring, so I just- But then if there isn't a date, then we- There's no issue. There's no issue. Well, right. There's not a date. We haven't refused to do it. We just- I like that.

0:48:57 So what if, as a board, we said that we intend to institute the loan program, and we said either either a time requirement or we set a balance of financial or fiscal requirements, some today spread that. So we could assume we could do a couple of things, we could say we instituted at a date specific. We could say we instituted when our portfolio balance, our investment portfolio balance reaches some limit, some amount, we could decide to institute it and put a dollar limit on how much, because there was a point in time I went looking back that we had like $160 million um an outstanding loan balance back in 2015 when when this is when that when it was discontinued we're now down to 13 million dollars so but i i i don't i don't i don't feel like we should do either i don't feel we need to put ourselves um you know in no in a particular box and have a drop dead date or a drop dead um dollar figure you know uh to put out there when when it when it's fiscally responsible or fiscally feasible you know with it at a time and and you know i don't i don't feel the obligation to to give a drop dead date or put a specific dollar amount in it mr chairman is isn't there a date set isn't there a bit suggested during during the the the um board retreat we get we had that we had i think this miss and they've did indicate um we had a target date uh you know about 2024 but but what i'm saying is like that like i i wouldn't even do that because for instance for instance and i i can't verify but i was told this morning that somebody went through the the omnibus bill that congress passed and i increased for the the rom cover from the 1025 to i mean from the 1050 to the 1325 was not in it so i'm saying so i'm saying that things that still could happen you know between now and now and our target date so that's why i'm i'm wary of saying you know we're gonna do it october one you know to begin our fiscal year 2024. my point is my point is mr chairman we haven't refused to do it we we have

0:51:53 a date set in which we will do it so we haven't really refused correct so there's there's no issue really there is no issue oh yeah it's a short case now it's a short and close we just go and see what they have to say and we move on from there yeah all i'm saying is i'm not i don't think we should go there and say we give them a date we do nearby you know when when it's fiscally responsible we beat at that time like i said that things that could happen it's a fluid situation all we have is a paper saying that you know you're going to receive x number dollars you know every october one whatever the case may be that's it's just a paper i mean i think in 2026 those x number of dollars will be reducing correct so we have to look at that as well correct and if i may mr chairman i did go through that omnibus bill and unless i missed it i did not see an increase in the the rum revenues so that means there's going to be a shortfall and the question is whether the government will continue to make the difference correct correct i i i had a phone call from attorney and another attorney this morning and she indicated the same thing as she went through and she didn't see the increase uh the pfa made up the the difference this go wrong but you know are they going to to make up the balance for the next 30 years right now so i'm saying that there are a lot of different factors a lot of things that could happen between now and the the day that we are looking at are saying we're probably going you know we'll talk at such and such a time so i'm that's what i'm saying i'm not comfortable i don't think we should go and and give her a job that date because you know people tend to not understand you know you say you're going to be such and such a day the day come and gone and you know you're angry i think i think mr chairman if you don't give a drop that date and and i'm inclined to agree you that we should set some conditions that have to be met before we do it i mean i mean we can follow through what um

0:53:48 attorney williams said at some point if you know if we get to a point where we get get before judge we're going to have to give a justification and a defense for why we're not complying with the court, with the ruling, with the legislation. And I think that we're in good shape if we said that we set some conditions based on financial and based on all the things you said, particularly that we are not sure we'll get 158 million um so if we set some conditions some financial conditions that we think we need to we need need to be met before we want to reinstate it but i i don't think we could i don't i don't think we could just ignore it so no so so what i'm saying i i don't have no disagreement what you're saying but i'm saying those are internal discussions and those are in turn i am not saying what i'm saying is i don't think now is the time and and the 29 that's not the forum to go and say you know to put it out there those are internal things that we need to work with for instance look at wapa wapa went right in the same legislature and say yeah for a year and a half we've been taking money other people check and not turn it over to grs and everybody just move right on to the next thing so i'm saying historically when the government had become strapped for cash the first bill they don't pay is grs so imagine now when you have a quote unquote dedicated revenue stream they will be even quicker now to say well grs can wait they're getting the rum cover over a month so i'm just saying there's a whole lot of different factors that could contribute and and i agree that we should have some metric internally that we know okay when we get to this point then we could you know we instead of the the loan program but i don't feel that we need to be out on the 29th putting out it like i said before that this this whole bill is a poppy show thing and and attorney williams the bill actually says ted calendar days so it's not even 10 days and i did the math i think they when as of the 29th there would probably be 11 days left in the 24th legislature the resolution says 10 calendar days not even i mean 10 working days not even 10 calendar days you know we're not we're not refusing to to reinstate the program

0:56:24 they're not as positive not put a a specific date on it we're not saying we're not going to do it we're just saying well we're not in a position financially to to to you know to roll it out i i think we're saying the same thing um let me yeah yeah yeah i don't i don't i don't i totally agree what you're saying you know i i think um i think we should be able to say just what we will say to the judge as you assuming it get to that point you get to the point really just for argument saying that it gets before judge we will have to be able to stand up and say why we are not complain. Correct. And all the things that you're saying now is what I assume is what we're saying. So I mean my take on it is that I mean our response even for the 29th is that we put some kind of parameters. We say we're not saying we're not going to do it. We're just saying we're not we don't think the system is stabilized enough at this point fiscally to take that back on and and and we should give some some indications of what what we consider to be stabilized we'll be stabilized when the something happened well i mean in in in summary you know not certainly and truly the conditions that led to the temporarily temporary suspension of the of the loan program still exists. Exactly, I will just let that out, it still exists. Notwithstanding the loan note, we all know the issues surrounding that. I think we hinted to that. We more than hinted, Mr. Nibbs, he even had a graph that showed the issue we have with the loan no and and that that was assuming that we got the full 13 25 and if you're not going to get that you know then then we you know the graph wasn't even good so so i think we should be prepared to load some some conditions that from fiscal and financial kind of metrics that we think we need to see we need to meet before we implement this thing we're not refusing to do it but we don't think the system is sufficiently stabilized at this point fiscally to handle it and as you said

0:59:05 the reason why we we discontinued it it was not had nothing to do with um return on investment it had to do it with cash flow and liquidity back back then in 2015 we had us we had 160 million dollars outstanding we were losing 150 million dollars a year in in in cash flow deficit and and we couldn't and we had a projection that we're going to be we are insolvent in three to five years we couldn't be lending out 30 we couldn't lend out money for 30 years when we're going to being solvent in five and and so and i think i think we as you said the any judge will understand that so i i so you know i don't think we'll say we're not doing it as a we don't think the system is ready to take it on and i think we should give some some standards that have to be met that we think you have to limit before we think the system is ready to resume that thing. I know the other thing is that we could reduce it on a limited basis. In other words, we could say we won't limit the outstanding amount at any time to, right now we're down to 30 million, we could limit it to 20 million. So we all could lend out seven more million And unless, you know, some of it will fall off, because we could say something there.

1:00:45 And, you know, that's one approach, so we could keep control of the finances that we don't get up to 100 million dollars in it. We could limit it to just loans that paid off for three to five years, so we don't find ourselves locked into a 30-year loan if we don't think we're going to be here in 30 years. That's another approach. You don't have to go back into mortgages. So we could limit the dollar amount of exposure, we could limit the term loans, and um that's another option too and we could establish we could establish uh we establish the the standards that we think we need to be met before we institute the program when we can't when we are comfortable that the system is financially stabilized enough to take it on we did i think the obvious question somebody will ask is you know what what what does that mean what does financial stability mean and so i think we need to be prepared to to put out some some some some metrics here is what we consider stable i think and that will fit right into our position that we have a fiducial responsibility to the to the financial solvency of the system above everything else so that would be my take on it okay Okay, so I'll craft my opening statement accordingly, and I'll have my information on hand, lock-loaded, ready to go.

1:02:45 Okay. Okay, can I have a motion to win the executive session? So moved. Second. Dr. Bowery? Yes.

1:03:14 Trustee Dorsey absent, Trustee Liger? Trustee Liger? Yes, sir. Trustee McDonnell absent. Trustee Russell? Absent. Trustee Smith? Yes. Chairman Talwood? Yes. Four years, three absent. All right, Mr. Moses, let me know when, when we could, when we could, Chairman Caldwell. Yes.

1:03:59 It's four years, three years absent. Okay, so we're back in regular session. um in executive session the board heard oral arguments and came to a proposed settlement in the matter between um leverage uh a newton lever lever and sorrow and we also accepted a retainer agreement to retain the law offices of pedro williams as counsel to the grs board of trustees okay um privileges of the floor i'd just like to extend season's greetings and happy holidays to each and everyone wish you all the best you know um for the new year same here thank you very much thank you very much same to you and And I too would like to just say happy holidays to all board members and to staff, which I've been supporting as well over the last 12 months, so I hope everybody have a safe and enjoyable Christmas season.

1:05:18 Thank you. I would also like to say Merry Christmas to everybody and thank you for the agreement for the contract. Welcome. Welcome. All right, motion to adjourn. All moved. Move by Trustee Liger, do you have a second? Second. Second by Trustee Liger, roll call. Trustee Bowery?

1:05:49 Yes. Trustee Dorsey absent, Trustee Liger? Yeah. Trustee McDonald absent, Trustee Russo absent, Trustee Smith yes Chairman Campbell yes oh yes three absent all right have a good day thanks everyone thank you this is 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 Vincent Liger**
heard in this transcript as: Liger

7x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

7x **Trustee Leona E. Smith**
heard in this transcript as: Smith

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

Bills and acts referred to

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

Act 8578	Act 8578 · July 20, 2022 · An Act amending Act No. 8473, section 1, subsection (q)(3) relating to a $2,175,000 appropriation to the Public Finance Authority to provide for a grant of that sum to the Twin City Cricket Association and the St. Thomas Cricket Association for the development of the Department of Sports, Parks and Recreation St. Croix Cricket Field and St. Thomas Cricket Field; making a 53,434,994.14 appropriation from the General Fund to the Government Employees· Retirement System (GERS) to defray shortfalls in fiscal years 2018,2019 and 2020 for annual bonus payments to retirees; amending Act No. 8476, relating the Legislamre of the Virgin Islands fiscal year 2022 budget, to reprogram the appropriation fo
Act 8473	Act 8473 · September 17, 2021 · An Act amending Act No. 8365, as amended by Act No. 8411; and Act No. 8451; amending Act No. 8451, section 2(a); amending Act No. 8347, section 1, relating to the fiscal year 2021 operating budget for the Government of the Virgin Islands, to appropriate $24,423,321 to several departments and agencies to pay outstanding obligations; and providing for other related purposes =
Act 8476	Act 8476 · September 2021 · An Act providing an appropriation for the operation of the Legislature of the Virgin Islands during the fiscal year October 1, 2021, to September 30, 2022 ---0

Referred to but not found in our acts corpus: Bill 34-0370