GERS BOT's Monthly Board Meeting 2/24/2022

GERS Retirement System (Board of Trustees)

February 24, 2022 · 0.8 hours · gov

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0:00:00 I'm just going to have a second here. Okay.

0:00:30 please excuse me so i'd like to call the meeting to order so because you don't know let's see carwood absent proceed or see present present good morning trustee liger yeah present trustee mcdonald absent ex-official member sydney richardson absent trustee russell present trustee smith absent chairman barry present the chair for present for absent which includes the ex-official member ex-official member point information uh chair ex-official member is being sworn in today she would be excused so i have a correspondence to that point yeah i did see that correspondence so mark has this excuse um thank you trusty um okay we'll begin with the next item on the agenda which is comments and suggestions from retirees Hearing none, comments and suggestions from active members?

0:02:26 Hearing none, secretary's minutes? Mr. Chairman, before secretary's minutes, I would like to announced that I have to leave at 12. And I would like for us to reorder our agenda so that we could go in executive session to deal with the lease and unfinished business before we participate with the full agenda, because I do have to leave. And I apologize to the members and everybody but um i'd like to deal with that kind of business in executive session first if we could please so i moved that we're moving to executive session attorney smith from view all right second uh mr chairman yes uh the list cannot be discussed right now because the individuals are not available right now we have them available at 11 30 vi time Well, just for the point of information, Chair, I also have a short day today around noon. I'll be out of here as well.

0:03:41 Oh. Okay. So, could we, could we, Mr. Neves, is there a way you could, I guess we could, we could start for a minute, but with the intention of switching to executive session, when you know this opportunity that we could get folks is it possible to get them i think i'm sorry i said i'll call them right now and see if anybody's available in the next half an hour okay so could we go ahead with the agenda as is for the moment mr yes Clendenin also, I guess, if she's on, she could try to reschedule the time for the search form to be available.

0:04:38 Trustee Borey, good morning to everyone there in Colorado. I think they're three or four hours behind us. So right now it's almost like 5 a.m. So I can't call at this time. so i'm gonna have to wait for a little time to pass and then i'll reach out to them to see if they can come on earlier okay okay some information um that search group if you can send them an email somebody might see that up to now as opposed to just calling i'll do both thank you yeah yeah okay so we will um see how far we get to the agenda and trust the worst and um at the time and we we'll just switch we'll make the change in agenda at that point in time okay mr chairman i spoke with jll and they will be available to log in at 10 o'clock our time okay okay all right so that's that's one that's good okay so let's um let's move on with the agenda as is for the moment yes okay so secretary's minutes any questions about the minutes i guess assume you read it you have a motion to accept it motion mr motion motion mr yeah we have a minute separately i move i move that we accept the secretary's minutes from the january 27 regular board meeting iso move i can move that second then Yes. Trustee Dorsey? Yes. Trustee Liger? Yes. Trustee McDonough, absent. Trustee Russell?

0:06:53 trustee russell absent justice smith absent chairman barry yes yes that's yes that's a yes for me i i was that's a yes swing okay okay Okay, so those minutes have been accepted.

0:07:27 Motion, Mr. Chair? Yes, go ahead. I move that we accept the Secretary's minutes from the special board meeting held on January 28th. I also move. Second. More than seconded, all part. Trustee Garwood? Yes. Trustee Dorsey? Yes. Trustee Liger? Yes. Trustee McDonnell? Absent. Trustee Russell? Yes. Trustee Smith? Absent. Chairman Barrett? Yes. Five yes, two absent. Motion, Mr. Chair? Yes, motion on February 8th.

0:08:09 i move that we accept the uh secretary's minutes from the special meeting held on february 8 2022 i so move second moved on second then we'll call yes let's see dorsey yes let's see liger yes trustee mcdonnell absent trustee russell yes trustee smith absent chairman barry yes five years two absent motion mr chair go ahead motion i move that we accept the secretary's minutes from the special board meeting held on february 11 2022 i so move well i wasn't there at that meeting so i wasn't there we're gonna second i i don't recall if i was at the meeting either i don't think i was but i'll second it i'll second it We'll call.

0:09:31 Trustee Carwood. Yes. Trustee Dorsey. Not voting. Trustee Leiter. Yeah. Trustee McDonnell, absent. Trustee Russell. Yeah. Trustee Smith, absent. Chairman Barry. Yes. Four years, one not voting, two absent. Okay.

0:09:58 So, we'll move to the next item on the agenda, which is, I'm scrolling back here in a minute. The first one is a letter dated January 20, 2022 to Mr Andrew Smith from the CEO the new CEO of the V.I. Water and Power Authority it was a letter you know welcoming welcoming him to the You know, welcoming him to the authority and also letting him know about his situation that we have regarding the payments of contributions.

0:11:06 It's on the screen. I'm just scrolling it up. Let him know what the periods were and the amounts. And also we asked for a meeting with him, which we did have, and we have memorialized it in a subsequent correspondence to him. Next correspondence is a notice from correspondence from the Department of Planning and Natural Resources regarding our request for rezoning of the property at Havenside Mall. more i'm glad to announce that uh they support the um the effort there was no public opposition and uh we are presently in the um scheduling of um hearing before the uh the legislature this is the uh correspondence from miss cindy richardson indicating that she will not be attending the meeting today because she is being sworn in and we'd like to congratulate her right next piece of correspondence excuse me I was saying, I think we are losing a little bit. I think I was.

0:12:32 Oh, next correspondence is a letter dated the 16th of February to Mr. Smith, Andrew Smith, of the Chief Executive Officer of Waiko. We did meet with him on February 15. It was a very frank meeting. I think he understands. It seemed like he did his homework. He understands what the problems are um he's willing to rectify the obligations to the grs we gave him notice that he needed to at least make payment on the uh employee deductions which include loans and contribution loans also so um and that was submitted to the board a copy was submitted to the board and these the amongst that uh that are due from wapa we are more concerned right now the employee contributions and employee deductions so which adds up to about 1.9 million dollars and it's here in the in the letter okay so we are waiting a response from him to enter into an installment payment plan for the employer's portion and all the accumulated interests and fees he understands this and we asked him to remit to grs within 10 days 10 days is the 26th um the deductions and employee and employer contributions and that we said that to do right now and payment come up with a payment plan for those uh over the next 12 months beginning march 1 2022 we are waiting response from him

0:14:26 mr chief and mike uh mr nips what is the time frame for whopper's response given that we anticipate um the agreement would commence march first depend is from february 16th which is the 26th okay we have not heard any so far i haven't seen anything coming in from him we'll probably follow up today with him to remind him that he needs to respond that ends the um the reading of the uh correspondences any information chair go ahead um uh mr nibs um if there's no response uh over this period what is the next move for the system at that point conversation with mr smith he is willing to come up with a plan i'm very reluctant because we went this road before with WAPA um we filed a lawsuit about 10 years ago the court asked us to mediate which we did we also have to remember that we asked in WAPA to assist us in a big way with our issues over at Havenside Mall so all I'm saying is that if we can get a payment plan we're trying to see if we can get a payment plan i don't want to entertain any lawsuits at this time um i hear what you're saying i was just asking what was next if the payment

0:16:16 doesn't come into play because either way you have your situation on the dock when we get to it but i'm reluctant because we go to court they're going to tell us the same thing try to mediate so um if we don't work with him if he can't pay it in 12 months then he have to maybe he'll be able to pay it in but you know we're not going to stop the running of the interest and the late fees so it'd be better for him to pay faster so come up with a payment plan that is um you know 12 months but no more than 12 months because the interest is con it's going to continue to run. Plus he must pay also the current employer contributions in addition to the late payments. We're trying to work with them and he's very open and he's willing and he understands the situation and he knows that it was wrong and especially with employee deductions.

0:17:15 So I think we should go that route first. If it doesn't respond to us then we will make a decision what to do i thought we already had a resolution on this issue but yes as a resolution so but i'm telling you you know it's a you know you have to be careful because we file a lawsuit back to mediation again you may say you can't pay within you can pay within 24 months and also i just said they're assisting us very in a great way with our situations over at whopper so you know I mean over at Ravenside Mall my concern is the employee deductions at this time and come up with a payment plan for the employer portion plus the current current amongst being deducted so if you can start paying the current amongst upfront to stop the running of interest and maybe ask for an extended period for the late payments fine but we have to come to resolution I can't force this hand because they're assisting us in a mighty way many times you know ways that we want to to accomplish what we want at that Havenside Mall my concern is the employee deductions because you cannot deduct make deductions from employees salaries and not remit them to the agency. So Mr. Nathan in light of what you're saying and the issue trustee dorsey raised about the um existing resolution it seems to me that at some point you would want to recommend to the board that it we could either vacate or reconsider that resolution because if nothing is done then you'll continue to be in a continuing violation of the board's resolution and you don't want to be in that position so the board assuming the board agrees with you would probably want to act on that either to stay vacated modify it and

0:19:19 do something so that it imposes you to do what you're suggesting and that you're not in violation of the board's resolution yes i understand that and um yes i understand you very clearly um that's something i'll have to discuss with uh with uh general counsel let's let's let's talk about it because that's i'm not sure that's a general constant issue um the my personal take on it is that as a board um i think we've sent a message to to the staff and if if they needed one at all that we as a board we expect them to be aggressive and going after amongst Jews. However, at this point I'll be willing to ask the board, I suggest that the board give Mr. Nibbs some room to negotiate further given we have a nuclear on the scene um and give give them i think i think we all know the reality of of of of walking in a fiscal situation and um and if if we could work something out i think that's preferable than trying to do it then that litigation at this point i i would i would I'd recommend that as a board, we modify the directive we gave to Mr. Nibs to afford him some time to work something out with the new executive director of WAP.

0:21:25 Chair, how much time did you have in mind to make this modification? I don't know. No, I mean, that's something we could talk about, I mean, but obviously we needed to give it enough time for him to be able to make an effort, but also keeping in mind our need to have the cash in the door. So yes, Mr. Nibs, what would you think be a reasonable time? I mean, if you were in his shoes, would you take a reasonable time to well i i would think i'd give him 10 days to to come up with um payment on the employee portion i would think give him another 30 days and um just give him some room he said he needed and none of his staff was there he was there by himself i'd asked you know you know if the other staff were going to attend no one else was there with him, I would assume he had to go back to the CFO to determine the cash flow situation.

0:22:32 So I would say, give me some room for another 30 days to see if we can come up with some type of you know, middle ground. i offered him a payment plan of 12 months so um i want to see how he's going to respond to that so um so right now the the the directive from the board in in in the form of i think was in the form of a motion was what okay well that was basically that that the administrator was given 60 days to enter in from i believe it was september to enter into a payment plan with wapa or initiate legal action that was the gist of the resolution okay so he has given six days to enter into a payment plan yes for the parties to enter into a payment plan or if that wasn't um effectuated then he would initiate legal action against okay so um so mr nibs seems to think that 30 days is a reasonable amount of time for him to to work out a payment plan um i i would i would i would i would like the board to give mr nibs that that 30 days i guess starting today to to to work on the plan so we will put will in effect put the put the uh extend externally the deadlines that he had for another for 30 days is that another study is starting today. The chair, I would just say that I hear Mr. Nibs, I hear you chair and I hear the council Williams.

0:24:48 I really see a difference between now and the 30 days, but I mean, if the majority of the members would like to do that, I will support it today, but I don't really see a difference. I think what's happening at the Water and Power Authority, it's just a management issue with their financial resources, mismanagement of the financial resources and the human resources. Because as I said, when we made the initial resolution and this is before even Mr. Smith, the new acting executive director came on, they were hiring at the highest levels. So they have money, it's just they're choosing how they wanna spend their money. It's not like they don't have the money, they have the money, they've always had the money.

0:25:38 It's been just a continuation of mismanagement of the financial and the human resources at that authority. So as I sit here, my interest is just to get something done. And now Mr. Nibs indicated he had a meeting and only one person showed up. And then the people who probably should have been there help this new ceo um wasn't even in the room so i know i'm not sure how serious they are unless that's the new ceo style since he just come but and if you guys want to do that i'm i'm going to support it today but i don't see a difference in the next 30 days i think we'll be right back here again we've already gave them over 60 days nothing has happened so i don't think if you're running if you run an operation like this it shouldn't be one person that's going to stop the show you have people you're paying at the highest levels in the system who have a job to do there are people in there whether mr smith is here or not um to pay these bills that's their job and there's some kind of law when you're not when you're extracting people's monies for uh retirement and you're not paying it where it needs to go i know there's some kind of laws against that i just can't quote what it is today but i know that's not legal as well and they're not strapped for cash like that they're they're paying individuals in there which is public knowledge promoting people including the legal counsel side of that system so they have money i don't think that's the issue they're just deciding what they're going to pay and they're squeezing us and i disagree with mr names as to what they're helping us or not helping us with on the dock they have obligations with that as well because at the end of the day those employees are part of the same retirement system so i'm not going to mix those apples and

0:27:30 oranges and and believe that we're here requesting something that we're entitled to from a weak position we're not in a weak position i'm not going to sit there and say the system is in a weak position because we're not the people need to pay us okay all right um so do we need a motion mr um yes yes mr chairman somebody would have to make an appropriate motion okay so i mean assuming they want to do what you're suggesting an appropriate motion be that we amend that resolution and i don't have the number to grant the administrator an additional 30 days to effectuate a settlement agreement with wapa or to initiate legal action okay could somebody make a motion how's that move by home trustee dorsey oh okay so we have a motion you're gonna second second move that second that won't call let's take our word yes mercy dosing yes yes trustee mcdonald trusty russell yes trusty smith absent chairman barry yes five years okay

0:29:18 mr mr nibs um mr mr chair can i can i inquire something from about mr nibs regarding the recent amendment to the resolution please sure okay mr nibs yes um you you met with a new ceo um is that is that an optimistic view of resolving and getting a mou or some kind of document in writing so that you know we could represent that we have something in writing that might be binding on them, even though, you know, short of litigation, you might need an MOU with them.

0:30:13 What's your feel on that, Mr. Nibs? Is that an avenue that you would pursue? Well, I don't know if we need an MOU. The resolutions from the board, I think, suffice. We just reiterate the same thing to him, what the board did, what the board's decision is. You know, this gentleman is not an engineer. He's a numbers guy. His background is business, investments and all that. So he's not an engineer. So I think he understands the situation. Just gave me some time. I mean, you know, he's supposed to respond to me in 26 and we go from there. But I don't think we need an MU. I mean, you know, I don't I don't know what the legal counsels think about that, but it's good enough to me. If you get whatever agreement you guys come to, it would have to be reduced to writing, right? You have to be- Yes, we would enter into a payment plan with them and everybody would sign off on it.

0:31:17 Okay, good. Well, that's good enough because yeah, a payment plan, they sign off on it that we could say that we did something hold them accountable and in the 30 days we have some document in writing thank you thank you mr chair okay okay um okay so next on the agenda is um I just have more a comment and a statement than a report I mean and I'd like I'd like to go on record as saying that I'm pleased and excited with the passage of act number 8540 and that's that's the act its official title is the matching fund special purpose securitization act of 2022 but in my view if it if it delivers on its promise it ought to be remembered as the grs rescue act of 2022. the act promises to provide significant additional contribution to grs approximately four billion dollars over 30 years which is should be enough to sustainably from the benefits of the system at least as they're currently defined for the foreseeable future the grs energy have negotiated and signed a settlement agreement which was required by the act and pursuant to that agreement GRS agreed to drop all money claims and dismiss all pending litigation against the government upon the issuance of the GRS funding note that's the instrument that guarantees the annual contributions to GRS So now it's the ball is in the executive, the governance and his financial team to execute.

0:33:41 So on behalf of the members of GRS, I'd like to say special thanks to the plan sponsor, government advice was stepping up to the plate um particularly to 34 24th legislature was unanimous passage of bill number 34 0188 which was the result of an impressive amount of work that was done by the grs subcommittee and finance some committee after the committee of finance also to the governor's financial team for its risk approval and all the other enabling legislation actions that they have to take i'd actually also like to thank the members of the gis board and staff for acting expeditiously to provide critical technical support and the required approvals we all we think we are looking forward to a successful execution of the plan that will the benefit to all retirees um i think that was an excellent demonstration of of a collaboration between all the all the stakeholders in this issue and i'm looking forward to for it coming to fruition that's that's basically my report administrator's report oh before that i would like to comment a bit about the whole process i think sure sure go ahead yeah i i too think that it was a lengthy process that was long coming

0:35:32 and i'd like to give um graph government retirees united for fairness credit regarding the passage of that bill. Groff started the proposal to have the ROM cover over dedicated to the GRS. It went through many, many different avenues and channels and revisions passages of laws and you know repealing a law but i think in the long run the dissension that groff offered and then their input to this um i think achievement it's a good achievement for the government and uh should be noted and then we should note also that um our staff i think um our legal staff provided valuable commentary and i want to congratulate them because when we went to the final analysis of the bill uh their their contribution was significant considering how long the bill has been around the idea and the bill has been around so and congratulations to everybody who participated in it and hopefully um we have crossed that hurdle of uh making the grs solvent and hopefully that the administration would live up to the you know the dictates of the law and i i commend you uh mr chair because you know you you you supported it and you know we we we did a good job i think uh protecting the system and the whole and we should congratulate our staff and ourselves

0:37:35 and the whole government system that really promoted the bill and had it passed now it's for the government to honor the proceeds coming to the GRS. Thank you, Mr. Chair. Thank you, thank you, Trusted Russell. I think I did mention the staff in my comment, but if I didn't, I'd like to put a detail under your congratulations to staff. I also particularly like to, which I didn't mention, And the growth contribution, and I think the activism on the whole has been a key part in getting us where we are today. I mean, they have been an active group, and not just with this issue, but all other issues that that affect the grs so yeah i'll i'll i'll add my my congratulations chair i just had a quick uh comment as well um has this uh process actually gone out uh to market as of today i i don't know as of today uh trustee dorsey i mean i had a note to call um mr paul who who's who's the his lead coordinator at this point and i didn't get to that so i don't know if it went out today i do know that they had indicated that they wanted it to start like yesterday and that's you you recall when we were discussing the settlement agreement that you had expressed the importance of of uh of expediting that and i think what's what's driving the the time frame is the is the expected increase in interest rates i think the federal reserve is supposed to meet in march the next meeting is in march it's widely accepted that they will take actions to increase interest rates

0:40:08 so we wanted to get one to get all deal done before interest rates go up as you know interest rates go up and that service goes up that service goes up the amount available the gis contribution goes down so that that was the driving force so mike i assume they're full speed ahead but i i don't know what the status is precisely trusted boss i i guess chair um one of my reasons is looking at world events and we have a war that could change a lot of dynamics of what we think we're looking at right now and we just need to get to market if we're going to do this thing because this is beyond uh where we're at in terms of interest rates because once the war kicks in that changes the whole dynamics and i'm not sure if people are watching that uh or just listening to the two heads of states communicating about if they're going to do it or not do it and if they're going to do sanctions or not do sanctions but anyway the other item i wanted to ask about with this entire package at some point would we get an opportunity um as trustees to look at the package the entire package of what's going on with this uh special purpose vehicle in terms of the relationship with the um the bonding portion of it as well as the the issue of the issuant of the bonds as well as the agreements with the first organization aligned, which would be the run, the run companies, the two run companies, because we're giving up a lot as a system.

0:42:01 We're giving up these items we have in the court saying that the plan sponsor owes the system monies. But I would also like to see what the other individuals who are part of this package because we're supposed to be all in this together also was given have given up to redo their agreement so I like to know what they gave up as well. Not just what we're giving up. I like to see the entire package. i'm sure i'm sure you'll see unpackage but it won't be before it isn't implemented and that that process kind of that that process right now is solely in the governments in the government's realm that's that's going to happen between the government financial team and and the bondholders we we won't be able to interject into that i mean our safeguard is is the legislation as as long as I stick to legislation, then that's our safeguard. I can't imagine knowing how those things, that process works. I can't imagine a situation where they'll come back to us before they, I mean, those are decisions that have to be made almost instantaneously as people make offers, so. No, Chair, I was just referring to when it's all said and done, I would just like to look at the package of access just see what the entire package looks like when it's all said and done meaning that i'm sure i'm sure i'm sure i'm sure we'll see it when it's all said and done i mean yeah okay thank you okay okay we move on um um kathy is your your people available

0:43:51 Mr. Chairman, I think I saw Jonathan walk on the, on the line. Okay. And he's with, he's with who? JLL. Okay. Yep. I'm here, Mr. Yes, I'm sorry. I could, I, my configuration is different because Mr. Nibs is still sharing his screen. But yes, Mr. Walk is on the line now. So, so we need to go into executive session. Okay, could you create a motion to go to executive session, please, as we agree to. I move that we move into executive session to deal with the lease and unfinished business. the need is necessitated for protecting the um according to the protecting the interest of the least and keeping the proprietorship of any confidential okay move a second then trusty carlwood yes yes yeah yes trustee smith absent chairman barry yes five yes two absent okay so we're now in executive session um excuse me mr barry can i get about two minutes to uh clean the room and and end

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.

4x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

4x **Trustee Ronald Russell**
heard in this transcript as: Russell

3x **Trustee Leona E. Smith**
heard in this transcript as: Smith

3x **Trustee Vincent Liger**
heard in this transcript as: Liger

Bills and acts referred to

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

Act 8540 Act 8540 · January 31, 2022 · An Act amending title 29 Virgin Islands Code, by adding chapter 24 to authorize the sale of the Matching Fund Receipts and create a new entity named the ·Matching Fund Special Purpose Securitization Corporation· to: (1) acquire during the Transfer Period all of the Virgin Islands Government·s right, title, and interest in the Matching Fund Receipts to be paid to or for the account of the Government by the United States Treasury and the Related Rights, (2) issue Matching Fund Securitization Bonds and the Residual Certificate in order to pay the purchase price therefor and as otherwise authorized under the act, and (3) direct the Secretary and the United States Department of Interior to pay th

Referred to but not found in our acts corpus: Bill 34-0188