



Government of the Virgin Islands· Retirement System Board Meeting

GERS Retirement System (Board of Trustees)

recording published January 29, 2021 · 2.9 hours · gov

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- 0:00:00 called um called to order the employees retirement system of the government of the virgin islands regular meeting of the board of trustees for january 28 2020 to order but first i would like to officially welcome our new trustee mr andrew t dorsey who represents dorsey welcome morning thank you good morning mr dorsey and welcome thank you sir morning all right welcome andre good to see you attorney pedro nice to see you nice to hear from you good morning uh trustee bowery present trustee dana clindinen good morning and present trustee cohen present trustee dorsey present trustee liger present trustee mcdonnell absent trustee smith absent chairman calendar present six present two absent thank you trustee smith is having some difficulties with her computer she's trying to get it are there any comments or suggestions from retirees no okay hearing none we move on to communications and correspondences I don't have any.
- 0:01:54 My drummer, Jay O'Brien, my bass player, Justin Lee, and my new speaker, Luma Karasha. I have one and I can't locate it so I'm have to paraphrase the letter I receive a letter from um what is it about from administrator nibs indicating his intention to retire from the system effective mr chairman yes good morning i think you you skipped over the approval of the minutes oh i did i did i did i'm sorry okay secretary with minutes we need approval for regular meeting of december 17 and special meeting of december 28.
- 0:03:19 Mr. Chairman, Mr. Chairman, I have one small thing that we're talking about renovation and cannot understand. Mr. Chairman, Mr. Chairman, it seems it seems to be an open mic someplace i'm here yes yes there's a background noise somewhere yeah oh okay i see and we're live on youtube okay that's not good all right go ahead uh trustee cohen yeah just a correction in spelling i was page seven of the the minutes um the about the middle of the page the the fourth bullet down it was uh spelling copper wrong like copper tubing was being replaced or something all right anything else other than that i'll move to um accept the minutes as corrected and this is for the regular meeting of 12 17 2020 correct yes need a second a second no call yes trusty bowry yes trusty cohen yes trusty dorsey uh not voting
- 0:05:18 trustee liger yes trustee mcdonnell absent trustee smith absent chairman calendar yes four years one not voting two absent okay this has been those minutes have been approved need the most important information yes sir uh chairman i have a point of information yes sir i had some questions with the minutes even though i wasn't here so do i do that ask those

questions at the end well you can do it now did you hear me no i didn't hear you oh yes you may go ahead oh okay thank you i was asking for clarification for one on the the chairman's report it talked about uh misunderstanding with grs members and the community regarding the 42 reduction in benefits that was posted going to effect january 1st 2021 So is it that the Senate itself is going to make that ruling or the board? Just for clarification.

0:07:03 Trustee, the board has no authority to make any changes in one's annuity. The authority we do not have is only in change in the annuity, but we have the authority to do anything else with the system assets without going to the Senate? Oh, yes, yes. okay okay then my next question was under the is a november 23rd uh meeting and it talks about formulating an sop uh for the staff so has that been done uh who wants to answer that there was discussion it's it's in a draft form sir okay and then the not for it's not it's not for the it's it has to do with uh disability applicants when um what's the um the process as far as disability applicants and physical exams can you repeat it you blanked out on my site it has to do with uh disability uh applicants we require a physical uh we require a what i've done a desk review by a physician however the board ruled that we each disability applicant should have a physical exam meaning that it should be with a doctor physically to examine them okay just add a side note on that it was for um a physician approved by the gers yes that was going to be my next follow-up question thank you okay so i read um i think i had a document prior to this one i just received uh yesterday

0:09:14 um this was related to repairing the northern flat roof project the northern flat roof project of the building and it was some leakage and deterioration so i was just curious if that was done and if those employees and the legal counsel section have any mold issues in that section from leakage trustee dowry trustee dorsey we will bring this up in my report and any questions i would you know feel at any question as far as subsequent it can be dealt with at that time okay so the so the questions on their operation will come up in your report we will give a comprehensive report of the operations in my report and you may have the same issue however the legal is not on there anymore that place was cleaned up there was some work done by the contractors. So those questions can be asked of Ms. Asia Clendenin when we get up into operations in my report. Okay, give me one minute.

0:10:28 So that would also cover the a ramage and the collection of rents for your particular building itself as well as the haven site the format of the report is basically the same every month it contains probably the same thing as far as haven site mall the treasurer will deal with to have insight more numbers. Okay, so part of the minutes it talks about executive session. So I guess I'll have to wait to executive session to ask that particular question on page 11 at the top.

0:11:20 on the executive session i do have a question about that so i guess that's it for me for for the moment thank you all right need a need a motion to accept the minutes of the special meeting 12 28 2020 but we did that we did the regular it's now the special meeting oh okay i'm sorry i'm sorry need a motion i move that we accept the minutes of the special meeting that was held on December 28th. Is that a second by Trustee Cohen? Yes.

0:12:24 Trustee Bari? Yes. Trustee Cohen? Yes. Trustee Dorsey? I'm now voting. Trustee Liger? Yes. Trustee McDonnell, absent. Trustee Smith, absent. Chairman Callender. Yes. Four yes, one not voting, two absent. All right, thank you, sir.

0:12:59 Minutes have been approved. as a stated communication mr nip said he had none i received on december 18 i received a letter uh uh and i will read it will book your calendar md chairman board of trustees government employees retirement system their channel calendar please accept this letter as a formal notice of my retirement from the government employees retirement system of the virgin islands gis effective june 30 2021 i would like to thank the board for the opportunity afforded me since october 29 2007 to grow with the gis and the staff for for collaborating with me as a team to overcome the many challenges since my first day on the job i did the best i could i have no regrets i would be more than happy to make myself available during the transition process if the if there are any special requirements that need to be fulfilled from my end to complete the process then kindly let me know sincerely austin l l nims and copies were sent to the board members miss aish miss clandinin miss sherman says so i'm miss valerie clark daly chief group health insurance that was the only correspondence we had point information chair yes sir i did not get a copy of that document

0:14:54 we can make it available to you my second question um has the board had any uh system in place for someone to replace mr nip is there an under study i think i asked that question during the the budget meeting is there an understudy for a transition for the key positions in the system itself so that we don't lose uh certain knowledge base uh no we do not have uh technically an understudy program uh we have a chain of command and um it was up to the board to replace um the administrator so that will come before the board uh well sometime after today okay i guess my question is um was there a um six months, eight months window that this position was gonna be possibly open that there were discussions early on with the board as to how we might look internally for someone to replace.

0:16:14 Any discussions on replacement, just cut and dry. When he's gone, we just find somebody put out an RFP or search for a executive director? That was it? Mr. Dawes, I'm sure that's not the way it's gonna happen. No, I was asking what you

have done. It's not how it's gonna happen. I was asking, did you put anything in place prior to? If you knew something before you received a letter? No, I do not. No, I don't think anyone knew anything before we received the letter. Okay, so have there been discussions about putting things in place so that we just have a system in place going forward. Has there been any discussions?

0:17:00 There have been some informal discussion. OK, can I get a copy of those documents? These were verbal discussion among certain board members. This is the first meeting we've had since we received that letter. Okay, so prior to receiving the letter, there's been no formal discussions. Why would that be? Why would it be expected Mr. Nibbs to remain forever? Well, I guess my question to the chair, to Mr. Nibbs, if there's a possibility that you could at least hold on until we can put something in place, because that's a very critical position in the system and it just needs to be something more in place than just a search for someone to replace the seat because we have so much on the line at this time so we don't really have wiggle room um just to add a little addendum here um mr nibs just came out of surgery um and attended the last meeting um you know uh somewhat compromised so uh this is the first official notice that we've had of the situation and i think to um if he feels that you know he needs to leave i don't think we can pressure him that's just my opinion i i agree to that as well if that's the situation then it is what it is i agree to that i'm 100 with that may i add something

0:18:55 i almost a year ago i wrote a letter to the board indicated that i wanted to have a meeting with them and to discuss the same thing you guys are discussing i received no response and and that's my point chair there's a document out there i requested a copy of any documents related to this particular issue mr nibs now put on the record that he requested to this board over a year ago or approximately a year ago that this scenario was coming up so this is not something since he just sent this letter so the record has to be corrected on that point uh mr chair um this is leader uh mr nipson in your letter indicated that you're leaving in 2022 2021 when miss when miss father left when miss father left in 2019 um i wrote to the board indicating i was planning to leave in 2019 and then i saw possibly could be leaving in 2020 but about a year ago i wrote a letter indicating that i'd like to meet with the board to discuss succession planning and i need i didn't get a response so uh chair i'd just like to know how soon i can get a copy of those three documents that mr nibs just indicated are available i guess you need to ask mr nibs for those documents since i have not i don't remember seeing them well he just said he sent them to the board mr dorsey did you hear what i just said i don't remember having seen those documents okay so mr nibs would be kind enough to send mr dorsey whatever you said they are the board members

0:20:56 so so chair just a point of information uh mr nibs was the was the legal counsel copied on these letters um mr i i wouldn't have copied the the legal council on anything okay that's fine that's fine i would look for the correspondence and i would i would give it to him that's fine that's fine i would i was just asking a question are there any other board members who remember the correspondence if the chair doesn't remember does anybody else remember at this time at this time i can't recall but like um like dr calder said mr nizzle submit whatever documents he has to you okay no one recalls that's fine any other questions mr dolce not on that issue all right i have other questions but not on that issue all right okay let me move to the chairperson's report again good morning everyone today is january 28 2021 if there's anyone to whom i have not extended new year's wishes i am doing so now happy new year on january 21st i sent a letter to former trustee carol a colwood thanking her for her years of service on this board i am certain that she will be missed this is the last meeting at which i will preside as chairperson it has been six years that i have had the honor to do so but that would not have been possible without the assistance and guidance of many individuals some of whom have left the organization and others who continue to endure first of all i'd like to thank the many retirees from the district of

0:23:01 saint thomas st john who elected me on two occasions in spite of well known competition i am sorry that i could not have accomplished more then there are the trustees with whom i served for the past 10 years thank you for your support being a trustee on this board is no child's play i would like to thank some individuals even though some deserving individuals name will be omitted not intentionally just that my capacity to remember important things is rapidly diminishing mrs evelyn vena potter former ceo miss johnny sternbo miss lorraine gums morton mr terence thomas mr rory andrew mr andrews thank you for keeping my tablets functioning and we should miss syren sasso and miss glendon and gums attorney katie smith mr bruce thomas with whom i still communicate leo festino and gustavo because better from the teacher investment group leon joyner alvin frears i will see the actuary advisors miss nikaya coley the board's administrative assistant who has been working remotely long before the emergence of covid19 and who has efficiently present provided to the trustees the documents and information required for the functioning of this board and last attorney pager william the board's council who has always reminded me that one of his role was to keep me out of trouble for the most part i believe that he did now let me make some comments about the legislature and to some legislators i will never forget february 20 2020 the day certain members of the legislature attempted to discredit this board by questioning me regarding operational matters that information if needed could have been obtained initially by requesting it from the administrator eventually did so however there has been no significant action taken by the body to improve the financial

state of the gers

- 0:25:23 so let me make some statements and give them some advice winning what appears to be a mere popularity contest that does not make one knowledgeable in all areas once one is sworn into office instead of requesting greater expertise of board members you should set minimum educational requirements for one to be eligible to run for the legislature and do not make the requirements low or average how you still want to teach the legislators basic grammar such as subject verb agreement so that students listening to your deliberations will not develop similar bad habits cancel all retirement benefits for legislators in fact it would be ideal to rescind the law that made the position of senator a full-time job you should all receive a small stipend for the limited service you provide and seek full-time employment elsewhere there is no profession called senator following the most recent swearing in of senators several of them highlighted the fact that that was the four time that he had been elected to that office they should all be ashamed because they have done very little to avert a rapid slide of the gis toward insolvency to specific senators i hope the senator sorrow has sung the time to read the mercy report which addresses the gis's problem instead of focusing on the fictitious fidelity report. Saint Aveline needs a class in humility. He really does not know
- 0:27:16 everything. Being obstreperous is his MO. One of Saint Aveline knows how much 1.9 billion dollars would be worth today considering that the system has had an 8.8 percent annualized return since inception or how much the 570 million dollars lost in contribution from the nine unfunded mandates which occurred between 1983 and 2001 would be worth today it was a sensible decision the board made by selling carambola beach resort besides the fact that it was not profitable the viral pandemic would have devastated us if we still had it as an asset to senator noble francis it is not respectful to tell a testifier sorry man it is just politics it is for the public to see after you've done everything in your power to embarrass that person two other individuals from saint croix are no longer members of the legislature therefore there's no need to mention their names and to mr herman foy stop trying to be important by your practice of disseminating inaccurate information if you want to do something important join with some of the members of the legislature and obtain some remedial training before pretending to be the spokesperson for the retiree group and inciting this harmony among those you claim that you represent and again thank all of you for giving giving me this opportunity to serve end of my report Administrator's report.
- 0:29:15 Good morning. Good morning. The summary of my meetings presentation and appearances on December 23. I met with Claire channel the vendor offering video at at Cyril Lee King Airport for the Havenside Mall Advoid System Marketing Program. On the 28th, I attended a special board meeting. On the 29th, I had a meeting to discuss Havenside Mall roof replacement issues. On December 30th, I met with Island Guide, another vendor out of St. John, to do some promotional marketing efforts for us for the Havenside Mall at the Red Hook Dock.
- 0:29:58 on january 5th i had a site visit to red hook terminal again marketing opportunities for the haven side mall on the 8th i met with a software provider vitech on the 11th i met with haven side mall tenants in regards to roof replacement a project that is ongoing as we speak on january 12th i attended a hearing as a witness in the matter of cortis griffin versus grs on january 14th i met with port of sale management management on january 15th i attended a budget committee meeting on the 21st i met with siu union for the supervisors in regards to the rift program on the 22nd i met with the rank and file union in the same matter on the 25th i was a guest on alan fancy donister show on the 27th i just yesterday i had the deposition in the saint thomas east end clinic grs matter and um on the 29th we do have an oversight committee meeting which is tomorrow at even site mall and then we will conduct tour as you can see in member service as far as applications uh we have a total of 149 still outstanding uh we have received seven for year 2021 thus far in 2020 as you can see the um applications are down um from let's say 2028 2018 where we had 402 2019 we had 315 and then 2020 we're down to 220. I'm assuming that this is because of we don't know some people are unsure where the government is going to go so
- 0:31:56 they're just holding out. Disability certificates these are life certificates that are sent out every twice a year to determine for retiree members to determine if they're still alive this is a way of determining if the members are alive and we sent out 231 and we have at least 33 that are still pending refunds there were 135 cases we have 37 pending so far we have for the fiscal year we have um refunded 1.6 million of the 1.6 million 1.5 million is uh for those um members who are not vested, regular. Those are members who are not vested. So as you can see, members are still leaving. We have 89 cases that were completed. We have 33 of those still pending.
- 0:33:10 As far as debt benefits, last year for the fiscal year 2020, we had seven, we paid out \$389,291.86. We have 88 cases pending for a whole lot of reasons. Annuity payments, January 15 payroll, we had a count of 8,675 retired members. From October 2020 to January 15, we paid out \$75,122,415.90.

- 0:33:55 For the same period, we added 64 to the payroll. For the same period, we deleted from the payroll 88. Those are members who have passed on. The gross retiree payroll for pay date January 15th was \$10.7 million. So as you can see, the monthly payroll is over \$21 million a month. Our members portfolio is decreasing. Presently, we have 2,580 units personal loans. loans as far as mortgages we have 89 units still pending and the as of december the portfolio amount in total 33.5 million dollars the personal loans all of these loans should expire somewhere between 2024 and 2025. Obviously, the mortgage loans have other expiration dates, some going back, going into 2030. As far as operations, St. Croix building fire inspection was scheduled, had to be delayed because of availability of the vendor. In St. Croix, the sprinkler system was tested this month and everything is normal. We are going to be installing four additional external cameras. They were completed on December 14, 2020 for security reasons.
- 0:35:37 There was a minor fire alarm issue in the St. Croix office and it was corrected by ADT. It was um false false alarm uh we do have some landscaping and that is supposed to be done it was scheduled to be completed already however it's the setback and um hope to be completed by hope to be completed by march 20 2021 um housekeeping and sanitation services we did um contract out um last year uh some of the maintenance services because of a um retirement or resignation of one of our employees so it was better to um to contract out instead of hiring someone knowing that we were going to be downsizing and the maintenance staff will pick up where they left off uh appraisal in the building in St. Croix as you know I requested an appraisal in anticipation of sale of the building in St. Croix and the appraiser from Puerto Rico did make a visit there on december 20 when december 8 2020 um moving on to the saint thomas office building on december 4th the fire alarm project was inspected and certified acceptable again in the saint christ saint thomas office the appraisal is being done it was conducted on december 6 2020 of the building um other major we did have some malfunctioning of the two elevators they're now back in operation we had some duct cleaning of the
- 0:37:30 the air conditioner system this was very much needed that has been completed as far as the flat roof repair the work began on december 11 2020 there were some challenges such as water penetration as um trustee dossier mentioned and um i think that has been corrected because legal is back in there in the space that it was cleaned and legal is back working in the area we did have some issues with our generator as far as the switching that has been rectified in regards to our rental and electrical electricity collections in december we collected 55 503 46 total fiscal year to date collected 104 526.92 of that amount 94 734 and 30 58 cents is the um rental we do have some significant dererages um rental 155 531 32 and reimbursement for um electric charge electric charges is 272 650.67 the tenants that are affected um are uh shown in exhibit a there are many questions later on leases i think everything is going pretty well we um the only leases that um have not been um negotiated but negotiations were there were some negotiations however um a meeting is pending to negotiate it one day at least for
- 0:39:23 personnel also for justice and we did um advise the casino commission um that um we were not going to be entering into any this is more than one year they did receive um and responded i acknowledge receipt of the but however we um we did suggest some language to release an available date for for meeting with them is pending. As we said, there were the appraisals for the two buildings were completed and the documents that they asked for is shown as one through eight. I don't think I have to read those out, but those are what they requested. We did sign an MOU with the University of the Virgin Islands.
- 0:40:22 Dr. Hall and myself executed at MOU for the strategic plan 2021 going out to 2024. FEMA insurance. We have been dealing with FEMA and by FEMA regularly. Ms. Clendenin has been tasked with that effort. they do meet them twice a month. And I must say that we have been getting our reimbursements without any problems. The last reimbursement we received was for the Havenside Mall Cameras was \$419,000. St. Croix retiree election.
- 0:41:09 The St. Croix retiree election started on January 8th, 2021. Nomination packages are required to be returned on February 8th, 2020. I am aware that a few individuals from St. Khoi did, they did ask questions. I'm not sure Ms. Jandina would be able to answer how many packages have been picked up thus far. And Exhibit B, as far as our system, we have now migrated. We call it V3 LaCity. We have migrated to the cloud platform January 18, 2020. This is something that was in the making. It was discussed with the board, I think, two board retreats ago.
- 0:41:56 And it's something that was needed because after the hurricanes in 2020, we want to make sure that all our information is stored in the cloud and have backup. for it redundancy so that we can work seamlessly as long as we have internet connection that ends my report calendar i have two questions to submit yes sir go ahead thank you okay um the first question is um on the life certificates um what exactly triggers the need to send out a letter to see if they're still alive i mean what what transaction is uh well i'm gonna tell you these are individuals who receive checks who are international and it although we have um methods in place to determine if a retiree has expired um it probably would be hard to determine because it have happened before if a member who's international dies now if they do have insurance and the health insurance we would probably find out right away um social security if the international would be very hard to

because we've had this before so what happens is that every six months we send out life certificates it used to be one every year we do it every six months where we are trying to determine or confirming that this person is alive we have to submit um to a notary it has to be signed up by a lotary many of them use the embassy or in their or their minister or an attorney but we have to determine if they're still alive if they don't respond in a timely manner we do hold their checks uh we don't send the checks out anymore and if they are alive they will contact us and if we see that um they're not responding then we we try to um

0:44:16 do some more due diligence to determine that person is still alive okay thank you one other question on the saint croix properties where the present new grs building is in the the older little uh building that we're renting out that was old grs office and also the casino um is that property one particular lot or has it been subdivided for each of the properties each of the buildings from my understanding from my knowledge it's one lot okay all right has any thought been given because we were thinking of moving into the casino building um i think that we should consider you know um you know subdividing that property so that the properties themselves may become more attractive so it's up to the board the board give me directions we thought about it but um and then too we were planning to say if the board said they wanted to um relate to themselves of the assets Remember in the Board Retreat, Trustee Cohen, we talked about the St. Croix staff is very, it's a small staff. And with the RIF program, we don't know what is going to happen, if we're going to get any applications for the RIF program from St. Croix.

0:45:43 One of my recommendations was that maybe those employees can work from home, given the proper tools. They are working from home right now. And maybe we can bundle with an office in saint croix nearby to have a room or two where we can meet members if we need to um you know so that was one of the recommendations if the board wants to subdivide to hold on to casino commission that's uh that's a decision the board would have but my recommendation as i see it right now would be for those individuals to work from home electronically. We are doing it right now and maybe try to see if we can bundle with an office to have a room or two for conference with members when we need to.

0:46:35 Okay. I couldn't understand what you were saying. You were kind of gobbled. okay the only thing that i would like to point out is that the three buildings may be um more easily um sold if the properties that they sit on were um attached to the building and only the building yeah i understand what you're saying okay something to be considered all right thank you sure any other questions for that minister yeah i have a few questions chair go ahead um is there a resolution to sell the saint croix property or any other assets or the resolutions um trustee barry as i indicated to you before the board voted that's just trusty darcy i'm sorry i'm dorsey barry you know that's i'm kind of okay trusty finish that sentence no i'm just saying you know they end with y so i guess maybe that's how i got tripped up but he does song sometimes so does coley coley engine and why too but she's a female so okay so probably you're sitting you're sitting too close to mr dorsey that's why no um he's not on the same beach with um kathy and i that's true um trustee dorsey i think i mentioned this before um the board had a motion to because of the independent solvency to sell all assets and all assets how i interpret all assets is everything that is

0:48:45 standing as well as real estate and even desk chairs furniture as anything that can be sold to get money. That's how I interpret that. So all assets means buildings, properties, and havens like more. Did you say we had a resolution? Excuse me? Did you say the board had a resolution you said? There is a resolution. The board have a resolution to that we should sell all properties. Yes.

0:49:19 I was just requesting a copy of the resolution whenever you get a chance. That was one question. Okay, can I ask about the the rents that's in arrears? Or why the way to executive session? No, you can't. No. Okay, so the rents that are in arrears, at least as it relates to the government agencies which would be uh department of justice this is exhibit a division of personnel um and the risk care the job corps so i guess i'm not sure if that's uh directly under the central government of the virgin island that might be a federal agency but the two agencies that are under the government i had really two questions you mentioned that the rent is in arrears but you also mentioned there's a reimbursement that has to be done for the electrical the electricity that i was trying to figure out how that works that electricity the tenants don't have separate meters what we do is um um we we we build them based on square footage for the electrical use okay so we looked into separating meters but it wasn't cost it was for cost prohibitive at the time it was going to cost a whole lot yeah okay so one or two things i know there was a bill passed i'm not sure what that bill was, but I believe it was passed in the Senate in reference to agencies having money set aside during the budget process to pay WAPA, the WAPA bill, coming straight from finance, I'm sorry, from OMB, True Finance, to the WAPA account. So I was wondering if a similar arrangement couldn't be made uh during the budget process for um the allotment for the rent portion

0:51:37 that will be coming to those two agencies to be uh extracted out and come directly to the gers is something we probably should look at and as far as the electrical um i think it's more practical that we break that out that they have their own bill and that way if their lights go Wow, they'll figure it out. If you want to spend a half a million dollars, then okay. That was

what year?

- 0:52:04 I can't remember Mr. Ball, Mr. Dorsey. I cannot remember, but I know that we are looked into it. We are done, we going into an insolvency situation now. I don't think, I wouldn't recommend doing that at this time. Well, I'll say this, I'll say this, Mr. Nibbs. I've said before, so I'll say it again. I said it during the budget meetings. When I'm making my proposals, I'm not asking for a dime to come from the system. The system doesn't have the money. We understand that. I'm saying that we can get an allotment if we request it from the Senate for this particular item. I don't see this as an issue. I don't know if a request has been made. I hear the complaints. I've been listening to several meetings prior to coming here. I hear the complaints but I'm not here for that I'm here to try to bring some solution so I'm giving you a different direction to look at that's just for the rinse and arrear because it was done with the other agencies for wapa well and then this this administration hold on Mr. this administration made a serious payment on the wapa bill to bring it current as far as the government portion that was owed so I'm saying now I'm not sure why this was left out but let's just say it was an oversight that's all I have to say that was left out trusty Dorsey where we do um communicate with the omb in regards to the rental into in as far as the allotments that's where we send we have sent bills to them for the division of personnel and for the uh justice department so we know about that law we knew about it and we have we have been sending uh bills to the omb now as far as the electrical like I say we are the we are landlord are you telling me that and we are separate
- 0:53:58 entity you're telling me I should go to the legislature to get money to change my meter system and my air conditioning no I'm saying that you I'm saying I'm saying this Mr. Nibbs right when I say the senate I'm really saying who the sponsor is of the plant I think we understand who that is so yes this board would have to go not you Mr. Nibbs this board would have to go to the sponsor to take care of certain things that haven't obviously been taken care of so no I'm not asking the system the sponsor would have to take care of that but in order for the sponsor to do that someone has to say we need this done in black and white okay the other thing I was going to say um the building appraisals are they completed I haven't received the reporters yet sir okay and the reason for the appraisal came from the resolution because you're looking to sell those assets well usually we used to have appraisals every two years and then we went to the board and asked them to extend it to five years however it was at the administrator's discretion.
- 0:55:06 And because now we're thinking the board has said, we need to sell our assets. We needed to know what their appraised values are. Okay, and then the other item, Mr. Nibbs. My understanding with the Department of Public Works for the resources that they do have left at this time, some of the assistance that you need for these two properties, at least the Haven site and the two buildings, the main building here and St. Croix properties, you could probably get some assistance through the public works. I don't know if it's the request has ever been made because it's clear in the VI code.
- 0:55:48 It doesn't say just central government. It says all government buildings and property. It says they're responsible for that by law. That law has not changed. So I'm not sure if the request has been made either through the board or through yourself, but that is a actual law on the books as far as the different properties, the different issues. It includes, it would include semi-autonomous if you make the request. Again, Mr. Nibbs, this would go through, this would go through the plan sponsor. This would go through the plan sponsor.
- 0:56:28 plan sponsor is over the department of public works I believe the plan sponsor can make that happen if they want to but I think they would have to be informed again something in writing to the plan sponsor because when I look at duct cleaning the elevators malfunction repairs even to the roof generator transfer switch I I where I work in government I've seen public works come and change our transfer switch and we run 24 7 365 they have come to deal with our water pump they've renovated our whole building actually uh department of public works yes we are part of the central government I understand but I go back to the plan sponsor which is the governor right so that could be done it's just a recommendation I just putting it out there the other question I had Mr. Nibbs with the personal loan mortgage loans I understand the system doesn't have the funding for the personal loan to continue that process the mortgage loans construction loans refinance I understand that but have we gone to the sponsor to make a request for funds to look at putting something there just for that where they would go to the senate to extract that money to bring to the plan because that is a way of bringing money into the system and keeping our current personnel employed Mr. Dorsey the government of Virgin Islands owes us over two billion dollars we are more interested in getting adec to try to get this system forward okay they're not going to give me any monies to give me any monies to fund a loan program I don't think so you're asking me to go and try to get money to fund a loan program you're asking me to go to get monies to repair our buildings what is it where they're going to get
- 0:58:25 the money from federal funds or general fund well I have some I have some more questions when we get to the uh the documents that covers the um let me get the right title I'm just gonna say I would think I'm more as the administrator trying to get the a deck the monies that they do to us I'm familiar I'm familiar with the system so that the retirees can be paid the benefits and the system can go on another 60 years that's what I'm trying to get Mr. Nibbs I'm in a 100 agreement with the 8x um I have some questions in reference to the 8x under the legal portion of this meeting when When we get

there, because I guess that's an executive session, but I definitely have. Can be discussed in this session, you don't have to be discussed at that time.

0:59:18 Yeah, but my questions is tied to. That section, I guess I got to speak about it. The only other thing I was going to mention, which the previous board member mentioned in reference to individuals where we might be sending money. and we're not sure. Now you're saying they're international and we're not sure if they're still alive. No, wait, wait, wait, wait, wait, wait, wait.

0:59:45 We have a program in place every six months. It used to be one year where we determine if the retirees are alive. We have no indication that someone has died and we don't know about it. I just want to put that on the record. So, so, so Mr. Nibbs, if someone is- Because if they don't respond to us in a timely fashion, hold their checks they don't get paid oh okay okay i got you i got you okay okay yeah that makes sense i don't want to put it out there that people are dead and we are still paying them because that's the impression of a lot of people out there they keep asking me this question well mr nibs is a valid it's actually a valid question oh yes yes yes um i could just tell you mr nibs and the other board members for years on the other board that i'm on we've been paying for people who have expired in terms of health insurance and this is before this administration so it's not that it's something they're not going to ask because the community knows it's been testified to i've testified to it on the senate floor so these are valid situations mr nibs and it has in it and they'll blame it on the software sometime I think that's all I had with that section. Thank you.

1:01:12 Thank you. This just happens to be the G-E-R-S, not GE something else. Mr. Chair, this is Director Clendon in Division of Personnel, if I may. I just wanted to put on the record, please, that we are working feverishly with through The property and procurement department so that we can pay what's in areas for division of personnel. I don't believe we are more than a month or two behind in our rent. We've always been very good stewards of our money in paying the rent. wanted to put that on the record but we do need to have a completed agreement or lease agreement so that we could continue to pay so we are hoping to close that by next month so that we could issue you our payment as to something else mr nibs talked about earlier in terms of space i'm happy to lease you some space if you need on st croix thank you that's it for me thank you uh chair i just had one quick question for mr nibs when the payments are in a rear in the lease that was signed is is there a late charge there's interest yes okay i just didn't see it in there well but i know the billing it's it has interest in included in the building so mr nibs the uh justice department i guess you spoke to them this month well miss i'll have miss clandinin respond to you asia clandinin gum she's the one that usually handled that directly. Ms. Gumbs? The Justice Department? Ms. Clendenin Gumbs will

1:03:12 respond to you. Ms. Gumbs? Good morning, trustees and everyone else on the call. Trustee Dorsey, the arrearage of the Department of Justice was brought to their attention every time we send their monthly bill i've been in contact with director o'neill of omb to see how we could structure um the electrical to your point about the direct pay to wapa she is in constant communication with us and finance to rectify that to bring justice arrears current but as miss clendenin alluded to we are negotiating right now with property and procurement a lease because they would no longer pay rentals or electrical with a letter stating that they're on a month to month they really want negotiated leases and the department of justice lease has been expired for the grs since 2008 and personnel 2007 respectively so within a month we should have those leases um finalized and they'd be able to bring all the area reached current thank you you're welcome all right any a quick question on that miss clinton so so you use some of these some of these villages this is a question i mean it doesn't sound like it but it's a question um we're incurred when leases were in place no these are well the arreages for justice mostly represent this fiscal year and property and procurement has made it clear under their leadership that they're no longer doing month-to-months and encouraging all government entities who are leasing spaces to get their leases current what they've been doing is writing letters kind of justification letters in order

1:05:16 to get payment due but they just want current so all of this is in this fiscal year the leases we're negotiating the one-year leases as directed by the board will be retroactive to october 1 2020 to cover this fiscal year so as soon as that's done they'll be able to get all their rental and electrical arreages up to date okay so so just to be clear um the the the arreages that that um showed up on the report they're all none of this none of those were i mean pertain to periods of time when country when leases were in place in place could you repeat the question again um trustee board the the arreages that's on the report if any of them was any of that those averages do any of those averages pertain to periods of time when proper leases were in place no okay all right we've been um trying to negotiate with department of justice and personnel for years even before my time um but we have picked up a lot of momentum uh recently and have committed to do this within the next month okay well mr chair this is this is pedro isn't it accurate that i don't know how far back you could go but hasn't department of justice and personnel historically run a railrage on the rentals yes um not since So in my mind, I'm saying, if I go back to 2005, and they're running on a railrage, and then they pay, they don't pay, they pay, I mean, so it reflects a balance, but because

- 1:07:18 they've historically run a railage, I mean, I don't know how accurate it is to say that what's reflected on the report is only for this fiscal year. i mean it's only because i have the documentation and the billing so i there what you see here is this fiscal year based on documentation thank you there was a long outstanding outrageous going back to those years yes and i think division of personnel was rent let's say renting a law library they didn't pay us for years they didn't want to pay us and they finally paid us but i i can agree with miss miss um gums these are areas that you've seen here uh for probably this fiscal year because everything was cleared up you can go back to some reports for some prior months reports you could have seen there were hardly any allergies and then we did the deferment to those agencies so there was no running long there was some running long outstanding of revenues those were played up okay well mr mr nibs um i guess i brought that up because i just listened to the address by the governor and in his presentation he indicated that the different categories that where we do our collections are up and i'm looking for that big bump of that eight percent to come into the system at some point so if everything is up then definitely the rent shouldn't being arrears at this point so that's the only thing that would apply to the current administration because it was just mentioned that everything is up so of course you would mention that at this point so we're on the same size mr we're just trying to get the money in um i'm also looking at the different scenarios with how other agencies can assist and i know public works is one of them by law by the uh sponsor of the plan so that's never heard i've never heard that i we can look
- 1:09:19 into it but i've never heard that i'll even try to find that law myself and forward it to you sure yeah i'm interested in that too that's that's that's a new one for me and um and as you guys know i've been in government for a while all right so but i i definitely like to to see that that that law uh member Darcy but just just to indicate to you that notwithstanding the governor's frequent um claim that they're awash in cash never never before in the history they have had so much cash available um the governor's is still the governor the government is still fighting us on a 63 million dollar award on the the federal court that um and they they're spending money we're spending money in the courts of appeals for for an award by by judge gomez um and their argument at this point is not that they don't owe it the argument is that they can't afford to pay that's the argument they made in in the court and i keep every time i hear this speech about how much cash and how much cash they have, and they've paid off everything. They've paid off the back refunds. I was in a conference call with him a couple of months ago, I guess, when he made that comment and I asked him, what about those \$63 million? Why didn't you pay to us? And why are having us pay lawyers and you're paying lawyers arguing, and again, the argument is not that they don't owe it. I mean, I think they've given up on that argument, the court has squashed that for a long time.
- 1:11:07 The argument was they couldn't afford to pay it, and the judge gave them options. I think they had a five-month, five installments, Mr. Nibbs, or seven. it was about five or six years, five, that's all that, yeah. The court said they need to pay. The court gave an installment plan. If you can't pay, no, you can't pay all of it, you pay some amount, I think it's five equal installments. And they are fighting that in third circuit. We continue to get this mixed messaging um about how much they're washing money and we can't get all it so just just so you know mr bori i would just say this um that's the good thing about having the uh territorial address and having something an actual document and indicating to the public that things are better things are even better it appears to be even before the pandemic hit i'm hoping that before we're done with this meeting we can now go and use the same language that was used monday night in the presentation because i truly believe that eight percent money should be coming to the grs i don't i don't see you going to any other place where i sit that money should be coming here so i think our presentation one should be to the sponsor and two should be to the senate who has to appropriate that money if it becomes available as the governor indicated because the governor can say where he would like to pay the money but he doesn't determine where the money is spent
- 1:12:52 the senate does that so i think we as a board need to put something together um that that money needs to come to this system whatever it is it needs to come here just my opinion so hopefully before the meeting is done uh based on what you just said and what i'm saying now that that eight percent we need to go after that money and that money needs to come to the the gers Dr. Colner you're muted yes thank you okay let's move on um thank you for your discussions excuse me uh committee reports the budget committee had a report has a report i think i i late last night i don't know if you guys got it i sort of sent not a sort i i tried to circulate the report so i i'll just read it quickly into the record um and it says that the the budget committee convened via zoom on january 25th 2021 to review the fiscal 2021 operating budget for the havenside mall trustees bory calendar and darcy attended the proposed budget was presented by administrator names acting COO Glenn Denning-Gums and CFO Jeremiah. After in-depth review and having been satisfied by explanations and justifications provided by staff, the committee voted to recommend board approval of the FY 2021 operating budget for the mall as follows. Personal services and fringe benefits 1 million 596 579 supplies 20 200 other services and charges 976 919
- 1:15:18 utilities services 88 436 for a total operating expense budget for 2021 of 2 million 682 134 let me just pause it did did everybody get a copy of it just just so you know okay yes sir okay i'm reading it right now okay so so the personal services budget fund salaries and related fringe benefit for 22 field positions which are deemed necessary by by the staff

by management to provide basic maintenance and security for the mall notwithstanding the vastly reduced commercial activity is clearly um critical that we we we do some basic upkeep uh if for another reason to retain its value it also provides 90 500 for previously negotiated and approved one-time bonuses for 24 employees um this is no not a base salary increase this this amount is based on the personal roster submitted by staff which is incorporated as an integral part of the recommended recommended budget 977 000 budgeted for other services mainly comprise \$629,000 for insurance, \$269,000 for removal of transformers and raising of all structures, and \$47,000 for advertising and promotion. Utilities budget

1:17:12 funds electricity and water services, \$38,400 for electricity and \$50,000 for water services. and and again i said all these these line items are further detailed in the fy 2021 revised proposed operation budget which is submitted by staff on january 18 2021. the committee makes note that the 2.7 million dollar operating expense budget will likely result in a 1.1 million dollar operating loss in fiscal year 2021 based on estimated revenue of 1.6 million this loss combined with 2.6 million dollars of internally funded capital budget which has already been approved will be funded from the mall's unrestricted cash of 5.1 million dollars thus reducing the balance to 1.5 million and for fiscal, by the end of the fiscal year.

1:18:20 And I sent, for information purposes, I sent a little worksheet that shows how I came to that number. So I just wanted to make the point that, as we said, as I've said before, we need to make a serious decision about them all. It's right now it's an underperforming asset of the authority of the agency and keeping in mind that unless we get some extension of the the insolvency date, we're gonna have to be looking at selling that asset as long along with all the other assets, if we got into insolvency. And in my view, it's better for us to sell it earlier than to sell it when we're under the jurist of an insolvency situation.

1:19:30 So that concludes the report budget committee uh chair am i able to uh put in point of information here yes you are okay so during the budget committee hearing we asked the administrator nibs mr nibs to basically uh Uh, if there were any, uh, reports analysis done to figure out what would be a best use, uh, that, that was a question that came up during our, our budget committee meeting.

1:20:11 And at the time the chair, Mr. Borey indicated we should probably put in another 30,000 or so to do such a report to see best use. Um, I think it was three items that were mentioned. from the chair and then i asked a question if such a report was already done and mr nibs indicated that a report was done um alfred goldbar and associates back in 2015 for a hundred thousand dollars so that report supposedly back then was uh presented to the board at that time i'm sorry to wiko at that time through the board and nothing happened so that sent two messages to myself basically that was the wrong group in place or the report just had no merits to it but i just got the report so i can't speak on it like i would like to but i will go through it i guess for the next uh budget committee meeting that the chair indicated that we would have that was one item and then the second item i mentioned in the budget committee meeting if members have had done a walk through of the property because i indicated in the meeting i don't know where the property begins or where uh the jurisdiction or what it is we're talking about even to look to sell and which i indicated in the meeting at that that the asset has a lot of potential and it's an underutilized asset right now and even before the pandemic it was an underutilized asset so with that being said i requested a copy of the plan the ash bill survey if one existed which i received a copy of the report that was done and an opportunity as a board to walk through and as a result of that that was set up for tomorrow morning so i'm looking forward to the

1:22:21 walkthrough so that we can have some more in-depth conversations about selling assets of the system without fully developing the assets and as i said in the budget meeting i felt like the um and i still feel that the gers and the port authority are the most efficiently run operations in government i don't know if this board over the years has even looked at the grs uh management as someone to oversee the projects and as i explained during the budget committee meeting the document that was done by the inspector general van bieber house indicated that the alternative investments basically need if you didn't have the expertise in house you hire the expertise or you develop it from from within that's what that document was basically saying so again i'm saying i hear you loud and clear uh chair um bori but i just think we haven't exhausted all our remedies to try to fix our assets and i know we have at least seven assets that this organization may be looking to sell to meet those obligations i'm well aware of those obligations but i'm also well aware that we have an underutilized asset and we just need to look at that as well so i'm looking forward to tomorrow god willing to do the walkthrough because me personally i don't know where the property starts and end and now that i have the floor plan i have a better idea but i'd like to physically see what's going on as well or not going on and then we do

1:24:08 have some other things going on that we may not be in control of today but maybe in the future because wiko has been managing this property and it's sometimes uh assets are managed in a way that they manage their property down so that you the asset loses value so now you get somebody who wants to come in and take it over and all of a sudden it's a

diamond in the rough sitting in front of you all the time you know so they got this report back in 2015 and it looks like nothing's really happen on that property so i don't know if that's going to be a legal issue in the future i don't know how it was presented to them i don't know if it was part of their contract i haven't seen the contract that we have with them or had with them so i don't know what the legal side of it is but if they purposely ran that asset down then they have to be accountable for that too and that is the part of the financial arm of the government under the pfa so it's one government at the end of the day that's all i had to say about that thanks again all right um um you need are you making a motion to the board can accept the chairman it's on the regular session okay thank you um any other committee reports all right hearing none we will then move to the treasurer's report good morning board chair other trustees this is the government employees retirement system schedule of receipts and disbursements for the month ending december 31st 2020. receipts from

- 1:26:02 collections we have loan repayment 1 million 216 787 year to date 3 million 895 780 rent from tenants slash utilities 109 795 year to date 145 532 employer retirement contributions 6,212,774 year to date 21,010,223 employee retirement contributions 3,400,313 year to date 10,529,786. Parking facility, 815. Year to date, 2,645. We have miscellaneous, 228,001. year to date 557,890 for a total collection of 11,168,485 year to date 36,141,856 disbursements we have annuity payments 21 million 994 376 year to date 66 million 145 946 administrative expenses one million four hundred and twenty thousand forty two year to date three million seven hundred and sixty nine thousand one hundred and eighty five personal loans twenty two thousand two hundred and twenty year to date 96 403 mortgage loans one thousand five hundred and thirteen year to date twenty eight thousand
- 1:28:24 five hundred and four retiree loans one thousand three hundred and forty three year to date two thousand seven hundred ninety nine we have nothing for auto loans and land loans we have refunds of contributions 933 662 year to date 2 million 242 247 total disbursements 24 million three hundred and seventy three thousand one hundred and fifty five year to date seventy two million two hundred and eighty five thousand eighty four for a net cash deficit of thirteen million two hundred and four thousand six and six hundred and seventy year to date cash deficit of 36 million 143 229. we have um haven site information we have rents from receipts and collections um we have rent from tenants 135 610 year to date 254 thousand seven hundred and seven miscellaneous four hundred and nineteen thousand nine hundred and ninety five here today four hundred and twenty eight thousand one hundred and twenty four total collections of five hundred and fifty five thousand six hundred and five here to date 682 827 then we have disbursements we have your personal services 78 835 year to date
- 1:30:19 236 044 we have our fringe benefits 30 588 year to date 109 915 supplies we have nine thousand eight hundred and ninety five year to date nineteen thousand nine hundred and eighty one other services five thousand three hundred and sixty three year to date forty nine thousand seven hundred and sixty two we have you the utilities two thousand seven hundred and eight year to date 3998 we have capital project 189 343 year to date 506 187 we have allotments to white gold management fees we don't have anything for that so total disbursements of 316 733 year to date 925,888 we have a surplus 238,872 year to date a deficit of 243,061 and that ends the schedules report board chair i have a quick question mr chairman the 428 000 for miscellaneous receipts what is that that's the fema money reimbursement and just just that that was reimbursement for expenditures of what the cameras
- 1:32:14 uh okay so the the actual expenditure that that we uh incurred is is dumb below some place then it's in the 506 is that what it is trusty barry the actual expenditure was last year without when waiko we were under waiko at the time and uh we were paying it the contract was done on the waiko and we were we were paying the monies on the waiko okay all right jerry maya that's it that's it for you just these any questions for mr lehmyer any additional questions i need a motion to accept the treasurer's report so move and i will second it trustee bowery yes trustee cohen yes trustee darcy not voting Trustee Liger? Trustee Liger?
- 1:33:44 Yes. Thank you. Yes, sir. Trustee McDonnell absent. Trustee Smith? Yes. Chairman Callender? Yes. Chair five yes, one not voting, one absent. thank you sir treasurer's report has been accepted uh next have the investment officer's report presented by gustavo biggest maker i thought the year would be here today's his birthday right today his birthday mr chair you're right so he's okay he's enjoying a little more of uh a little more bedtime on California. Okay. All right. Thank you for being here.
- 1:34:35 No, thank you for having us. So first of all, let me say belated Happy New Year to everyone, because it's the first time that we're seeing this 2021. What you hopefully have in front of you on your computers is a report that we prepared uh which uh it is uh the uh the complete uh calendar year of 2020 with the results um which in fact this includes uh the last three quarters of your fiscal year that ended on september 30th um but most importantly it includes uh the last quarter of of calendar year 2020 which is your first quarter of the fiscal year uh which was uh positive news for the system uh so the the what i'm going to share with you is a couple of uh of uh slides on the topic of uh macro and what happened during

2020 and then we spend a few minutes on the results for the fourth quarter and then we will open up for any questions but if at any moment of the report of course you have anything uh that you would like me to expand or questions uh please feel free to interrupt me uh so i will ask you to please uh move into page four of 52 of our report basically what you have in front of you is a chart that we've been seen since uh march pretty much of last year which are the cases around the world and and this more than reflect that a reflection of the actual number of cases is uh a reflection of what has been um pretty much uh going on with with uh the volatility of the markets you know the the more the cases spike the more volatility within the market which means that the more support it comes

1:36:39 from the fed and the different reserve and federal banks around the world which puts liquid into the market which in general makes the stock market positive so this has continued to be the major driver of volatility in the market since the start of the pandemic and it's difficult to predict any type of stability before you know having a final solution to this pandemic which probably that is translating a massive vaccination of the whole world I will ask you to please move one more page to page five of 52.

1:37:31 This is astonishing. I mean, I don't think that any of us would have the courage of predicting uh the performance of uh of uh of the market uh for 2020 back in uh march or april of uh 2020 um as you see there in the one year which represents the whole uh 2020 you have you you know the smp up 18 percent uh emerging markets 18 percent uh china in particular 29 percent uh same same way on the on the bonds uh you have the the the are a barclays aggregate seven which it's a composition of all the different uh bond subsectors um 7.5 tips 11 percent 10 year treasurer's 10 and 30-year treasurer's at 18.7 percent uh most of these even even though we have the pandemic as we discussed in the year most of this has been actually supported by all the different fiscal and monetary policies around the world and that's the reason why we've seen all this positive momentum in the market. December was a little more volatile given, you know, post-election, fears, the end of the year, but even though with all those ups and downs, it end up in a positive momentum for all the equities with the exception of some of the the fixed income assets. I will ask you to move one more page to page six, which we've seen this chart before.

1:39:26 This is the S&P 500 index historically and where we are as of 12th, 31st. You know, the key risk again, Moving forward is, you know, a spike on COVID, it's vaccine distribution, vaccine deployment, most importantly, getting the vaccine into people's arms. That is pretty much, I will continue in the short term to be the major factor moving the markets.

1:40:07 The positive momentum seems that has halted out halted out a little bit during the first year so within the first days of January but then it just continued moving forward so we see this momentum continue is it the big question that you probably heard from market analysts and economists is Is this momentum really substantiated or is inflated? Are we in a bubble?

1:40:44 Honestly, we are in a moment that is difficult to assess that you can argue both ways, but definitely what it seems to be is some type of a disconnection between, you know the real economy and what's going on in the markets. And most of the experts kind of agree that this disconnection is triggered in its majority by the fact of the liquidity that has been, the flow of liquidity in the market that has been inflicted by the monetary and fiscal policies on the Federal Reserve in particular and on central banks around the world. I will ask you to please move to page nine.

1:41:43 And this continues to be something that we're talking for a while. This is extremely interesting on the right-hand side that you have a chart with the different colors. So the pink line represents the S&P technology sectors. These are only the technology stocks. they were up 42 percent in 2020. The green line, it represents the S&P 500 without, so taking the technology sectors out, which grew interestingly, but 8 percent compared to the 42. And the blue line is in fact the S&P 500, including all the different sectors we actually grew 16 i mean this this shows the impact that the technology stocks had during the 2020 calendar year in the whole market you have some examples there on the slide uh you have amazon was up 76 percent netflix up 67 percent apple lab 81 percent mostly trigger with the speculation and actually some reality of you know working from home and and shopping from home and all the good stuff that we heard during 2020 about uh what has been the biggest triggers of for these uh uh stocks uh so that did not change and that doesn't seem to be changing so far in 2021 uh that that trends uh you know there are some days in which there are speculation that uh the vaccine rollout will be accelerated and people will be

1:43:41 going back to uh normal life sooner than anticipated and that make you know value stocks uh moving up compared to growth stocks then other days like yesterday which seems like the vaccine rollout is actually delayed and then the growth starts for now so we'll continue to see this volatility and moving but it's all being triggered by what is actually happening with the pandemic um let me see um uh please i will ask you to move to page 11 which uh we've seen a similar version of of of this before which was uh the stimulus that was put in place at the beginning of the year this is actually the representation of the one that is was the second wave of stimulus of the 900 uh pretty much in line uh with what was done before and of course as we all know there's the new administration that is actually moving uh towards and 1.9

trillion stimulus um we don't know yet how much if the totality of it is part of it at all it's going to be approved and when but you know conversations on that are also the ones that are um supporting uh the run in the stock market i have a question uh gustavo please clarification actually so the 1.9 million is in addition to the 0.9 earlier or is it 1 million plus the 0.9 to give you no it's in addition the the 900 billion that we saw was the one that was

- 1:45:29 approved uh by the uh prior administration yes the 1.9 the 1.9 is in addition to that that's correct okay that's correct now it's still to be seen if that 1.9 is going to be 1.9, 1.7, 1.2, but that's the intent. And the areas are similar to what you see here in terms of the impact. However, there are a couple of other additions to it in terms of climate change and and all that are a part of the 1.9 as well.
- 1:46:14 So I will ask you to move a couple of page forward to page 15, please. We've seen this page before and this is pretty critical for the system. This is the yield curve. And the reason that I'm saying that is because around 80% of the planet's actually invested in bonds or cash. So the major driver at this point of the performance for the system, it is in fact, the performance of the fixed income portfolio. And it's definitely triggered by the yield curves.
- 1:46:55 2020 has been, we've seen flattening of the curve. You know, it's the blue green that move all the way down in all the different durations of the curve compared to what it was in 2019. Reasons why, of course, the pandemic and the influence of the Fed. Chairman Powell spoke yesterday, clarifying to the markets that status quo, short to midterm, no change into this curve, which is the major driver of fixed income assets.
- 1:47:34 assets. There has been, since the last couple of weeks, a little bit of what is called steepening of the longer duration of the part that is to the right hand side. It has gone a little it up but not moving much the prices of the fixed income assets. The expectations are that there will be not much movement on this curve. This is pretty much being influenced by in the short part of the curve which is the one to three year is definitely uh uh 100 correlated to whatever the fed is saying the 10 to 30 year is actually more in line with the investors expectations on the shorter part of the curve the fed has continued to say that status quo and this is not going to move or to actually the curve to steepen by any means. On the long part of the curve, that has been moving a little bit based on expectations of investors in terms of how much growth, how little growth, how much the pandemic, how less, so pretty much based on speculation. So we're not expecting much change indeed from the current inflationary status in the short term.
- 1:49:09 so when you when you say stiffening you're saying from from the curve was that as a flattening of the curve is that how we see the stiffening so steepening you see that in the in the in the in the right hand side that it's moving up and this this is yield so this is a combination of the price plus the coupons right so uh when it means that the the yields are steepening on the end it means that investors are expecting a little more from the coupon side, which is moving up, which means that the prices are going up. When yields are up, the prices are going up. So the more the curve steepens, the more the bond, the prices of the bonds are going down.
- 1:50:00 In fact, if you're a long-term holder of the bonds and if you can hold it to the end of the 30-year period having a steeper call means good news because you're actually collecting bigger coupons bigger yielding coupons in each of the different uh payments during there but uh the regular bone holder has a portfolio of bonds that actually are affected by the daily prices so i was just i was trying to read read the the graph and i had no other term stiffening before so i was trying to figure out um yeah so when they talk about curve flattening it means that that the the the end of the curve is actually uh flattening it out and when when they're saying that you have an inverse curve is that sometimes the shorter part of the curve is actually higher than the longer part of the curve so this means this means growth right in the long term you have more growth expectations than in the short term if it is the other round it means that you see a lot of risk in the long term so you're better off with holding bonds to the short term at this point because the uh the fed is saying this part is going to for the next between the two and the five year i'm not going to move it i'm going to hold it by injecting money so there's an expectation that this is going to make the economy improve in the short and to medium term which the long term should be in fact by correlation better so that's that's the whole year uh so that's what i meant the short term is predicted by what the fed is doing the long term is investor expectation that what that's
- 1:51:52 why it moves a lot more okay at this point this is it i mean this is what the investors are seeing uh flat growth expectations in the short term and a better prospect in the longer term um i will ask you this was page 15 we jump up to page 20, please. 20 out of 52. You know, we heard they just came out with the today's Thursday by unemployment numbers. They came a little bit lower than expected. You see here all the way to the right-hand side is where we were at 1231, 6.7. It's around there, still around their 6.7, 6.9 unemployment rate, which in fact, I think that the whole point is that, you know, we came a long way from where we were back in March. However, we still have, you know, then the experts are saying anyway between seven and 10% of the population is unemployed, which actually this represent that we still have a long way to go in terms of trying to uh to get the economy moving to a point that we can only just substantiate the jobs that we are today by creating all these jobs that are needed uh so we're still a long way to go. I will leave it up to there for the

- macro views. 2021, so far, again, the name of the game is the volatility that is at this point 100% correlated with pandemic and what different governments of the world are doing to uh fight the pandemic uh we're not seeing much
- 1:54:09 change it would definitely be uh any good news in terms of deployment of the vaccine will be would mean that the markets will be going up bad news in the deployment will mean the marks are going down this is so far what we're seeing what we're seeing today i think that political fears of elections and all that they they are part of the past regardless of what they are doing now um you know if the senate this and that uh the markets are not that focused on that specific aspect so far they just the aspect the that they are um looking into is that if the 1.9 trillion stimulus will be 1.9 1.7 1.601 uh but then uh it's that's that's the in general what 2021 is looking so far. Again, in terms of interest rate and interest rate fears, we as a firm do believe that there is the interest rate environment that we're in, that slower rates will continue to be in the short term, even if there is an interest rate or an expectation of an interest rate increase at the most we will go back to historical levels which based on the last decade which has been low and we are far away from there so and that is one of the biggest influencers of the market in general and of expected returns of pension plans so we are not seeing uh much expected uh movements in in 2021 i have a question yes please um and morning um just a question in reference to the um as you just indicated the deployment of the vaccine and the effects on the the market how where do you see this administration uh projections going as it's going to affect the plan the funding the markets overall what how do you see that being an effect with this new um treasury so um the markets have shown and uh we agree with it that there are a lot of um expectations on on
- 1:56:51 the positive side on the programs that uh the administration has been talking about um excuse me excuse me um i want to get more pointed i want to really focus on uh what the president the the president-elect the president-elect has been saying and what your company has been looking at what did you guys come up with in terms of what you hear and their strategies the models that they've been putting out i just really want to know what you've been really focused on with that? So what the Biden administration has been saying is that there will be an increase in deployment of vaccines which will be good news with that is reflecting on the markets.
- 1:57:41 It has been saying that it will continue the stimulus on the market which is good news for the growth of the economy overall which is reflected in the markets as well. It has said that in the near future, it will be pushing for investing in infrastructure in general, going from green infrastructure to regular infrastructure, which if that is the case, that will be really good news in general for a big part of the market. There are are trillions of dollars sitting on private infrastructure managers that are, they have been waiting for a long while on the United States to being able to start moving towards investing in infrastructure. There are, Minister Dorsey, a lot of questions in terms of how that is going to be deployed uh when uh what there are different type of strategies public private combination how that will work so um in in in general from what we are hearing seems to be good news in the long term uh not matter not much affecting the short term the short-term is much more affected on whatever the actual execution of deployment of vaccines and everything pandemic related more than future economic trends to be quite honest with you. So we've been focusing on that and then the biggest driver also of pension plan returns and and in general the market's returns is the interest rate environment. And as I mentioned before, that it seems that we will continue to be this way, very low rate environment, which it would be difficult for the asset classes
- 1:59:49 actually to really perform in an environment like this or a portfolio would say to perform with such low rate environments. So basically that's what we're seeing so far, Mr. Dorsey, nothing more. I may have some more questions. I just got your document. I'm going through it still. So I'm not sure how that works to find out. Chair, do we have the advisor representative for the board here today in the meeting? do we have who the advisor is there's supposed to be an advisor to the board right is it to the board or to the system the the advisor for the plan does that individual work for the board or the system we may advise you mean the consultants not to consult in the individual employed with the government who's supposed to be the economic or the investment advisor no I i don't think we have such a person so is it mr hendrickson or mr hendrick i think we'll be talking about the manager mr henderson mr officer he's the investment officer that's correct is he in part of the meeting today i think he's out ill oh is it does he have an assistant Mr. Neves, I have to answer that, Mr. Dorsey.
- 2:01:25 Mr. Dorsey, we had an investment officer. The office was staffed with two individuals. Because of the dwindling assets of the system, obviously we're now into bonds. The investment officer left to pursue other employment. So we determined that we would stick with an investment analyst, as trustee Smith said, the analyst is out today.
- 2:01:58 I got you. Okay. All right. So, I could follow up, I guess, with the individual. I will be, if there's any way that from my position can I help you out, Mr. Dorsey, happy to do it. if we continue a little bit with the report we might answer some of your questions i really hope so um so with that i will ask you please uh if you can move to page um uh 26 in fact um yeah page 26. uh basically this is uh the status uh that is no surprise um where we are. These are what we call the assets, the

liquid assets, the assets that Mekita Investment Group has been advising the system for. There's a number of other local assets that we don't report on and we don't have any views on it. Point of information, what are the local assets that you say you don't have anything to do with local assets are composed by the um loans that the system um due to the uh to the beneficiaries um the the um uh the assets you have to help me here mr because i i'm i don't know the exact names of the local asked maybe i maybe i can help you gustavo for example haven site mall they don't report on any of our local assets haven site mall carambola which we sold bi finest seaborne those were considered local alternative assets they did not have responsibility for those those assets were tracked by our in-house investment team

2:03:58 are you understand i guess i guess my i guess my question is um we're we're paying this organization hello let me ask this question let me ask this question what's the question my question is um um i understand we got different categories of assets but if they can offer some expertise to help us enhance even our local assets i think they should be part of that we're already paying for a service and they see the predicament we're in it has to be i'm not saying it hasn't happened maybe it has happened but it would have been nice to have a little bit of communication even on some of the local assets there may be someone within this conglomerate of a corporation that could give us um some direction understanding we were at as a plan as a retirement system that's all my point was mr nebs i was just going to tell him their responsibility is not direct they do have we do have alternative asset with them and a private equity one of the alternative the asset that they look at is private equity and that is totally different from these Carambola.

2:05:22 So they will not sign on to that. I'm not sure if they have anyone in-house that look at those type of things, but I know we do have alternative investment. The only alternative investment we have with them is private equity. So I don't know if Gustavo could answer that but um we dealt with our local assets internally and we do have consultants who we had hired to give us information about our local assets financial consultants every time that we looked at a local assets we went through a due diligence process so i don't know gustavo if you can answer him and say well i have expertise in house to look at carambola but we don't have carambola to look at havenside mall i'm not sure sure i i can i can uh perhaps um bring some light to the conversation um the scope of our services never involved the local assets and and the reason why is because we don't have expertise on on those particular assets uh these are individual assets our expertise is in an asset class in manager selection of that particular asset class and recommendations for asset allocation we we don't and and uh in general uh firms like ours uh don't have an expertise on a particular asset as the ones that uh we mentioned before so um that's the reason why they never been part of our scope of work uh gustavo let me ask a question um does your firm um manage alternative investments

2:07:20 for for um oh my god for cal pearls and you're involved in any way with cal pros with alternative investments i i i'm not exactly sure so let me ask answer the question so i'm not i'm not part of that account uh i'm not i'm always confusing culpers or clusters in one of those uh we help them with the alternative investments but alternative investments exactly what i was referring before it's not a particular asset located in one place but it is in a project work for for infrastructure deployment or manager selection on alternative assets but not advising on a particular asset okay got you thank you it's it's um it's it's not outside of what you see from from the firms of uh like ours um around the world um at the level of assets that we have today i think that we are number number five or six in the united states and eight in the world and we all work in the same uh environment in which uh our expertise is asset allocation manager selection and recommendation uh some special projects but never uh focusing on a specific asset on a specific you know asset what i mean like like your local assets like a like a hotel or like haven side like a mall we don't we don't do that it's not part of our expertise so i guess my my follow-up question chair um

2:09:08 um you've been coming and sitting in the meetings and listening to the issues with the plan watching the flow of our funds over i'm not sure how long your contract has been with the plan if it's been over 10 years then you've been here a while if you've been over if you've been here five years and you've been here a while my question is um you have colleagues that you have you made recommendations to the board as to someone who could possibly shed some light on the alternatives of what we've been trying to do and we're current what we're currently doing because you've been listening do you know what our problem is you know what our situation is you're in house you're not outside looking in and most of our issues are pretty public so have you made any of recommendations to the board or to the administrator to help in those areas even though you're saying you don't have it in your company gusavo i wouldn't i don't don't venture to answer the question i think he's made perfectly clear that that's not part of its firm's expertise in managing alternative investments i don't think he needs to be put in the spot having to answer a question like that no they handled our equities and and our bonds and they have done an excellent job for us i don't think they can offer us any more any more advice than they have given us in the time they've been here now they manage what we have now in our in our portfolio is about 440 million million dollars gustavo what is the amount of money that your firm um presently have The assets of owner management, do you have any idea? Approximately?

- 2:11:06 Yes, Mr. Che, happy to share that with you. And by the way, there were moments in the past in which we were asked by the system if we could make any recommendation on some other firms with expertise and we tried to help as much as possible. Some of them, you know, that's all what we were able to help. But our firm, it's advising at this point, at this point, around \$2.5 trillion. Advising, no managing. Advising. So I guess my follow-up question the chair just indicated that I put you on the spot as an advisor to the plant so if you felt like I put you on the spot I apologize for that but my question still is let me just ask this did I put you on the spot to answer a simple straightforward question I just asking so I'll know in the future not to ask that question Without trying to get involved in any type of circumstances other than investment advice, we've been asked if we could help outside our scope of service to recommend some firms that would be of expertise on valuating assets for the island uh during the the the course of our relationship with the system and we did and we presented some firms that I remember at some point we had discussions with a private equity firm like Hamilton Lane that was actually uh trying
- 2:13:03 to help on valuating some of the local assets and that did not did not work out because they did not have clear expertise on the market. So they were like difficult for them to evaluate in our comparables. And that's as much as I know because it's outside of the scope of work. We tried to recommend other real estate managers for the system to have the ability to actually evaluate some of the real estate assets in the island uh so we share names and so but that's as much as uh we have been able to help outside our scope of work just definitely because you know they we value the relationship with it with the system well I really appreciate that answer I'm not sure why the chair felt like I was attacking you for that answer you just gave to me it was straightforward but that's how I felt like he's telling you not to answer such a straightforward question and in your answer you just said multiple times that you have offered to help the system and that's all I was asking that's it wow we gotta do better than this board I'm just asking simple questions I was put on to try to try to figure this out I'm trying to bring some fresh ideas I'm just I'm just here trying to help and work with the board that's it I'm not making it personal any other questions I may have other questions when we get more into the document all right go ahead please all right sure um I will ask you then if you can please move to page uh 28 of 52 so this is uh the summary of the performance of the system
- 2:15:04 so um for the one year column which represents 2020 which is no more than I would say for illustrative purposes because what we really care is the fiscal year but for the one year the system actually returned 8.2 percent net uh which is what really matters to us that is the um quarterly uh performance uh for the uh first quarter of the fiscal year and fourth quarter of 2020 the system excuse me chair yes sorry sorry yeah I just have a question to the chair sorry about your presentation chair am I able to ask questions or just certain questions you don't want me to ask of this advisor I really feel it uncomfortable right now to the chair you know something that's you're sitting on something that's disturbing you I'm saying to you chair I asked a simple question a few minutes ago the gentleman finally answer the questions questions right so you're telling me you don't need to answer a question I have other questions in this document I just told you I just got the document I'm going through like you're going through maybe you had it before me I don't know let's move let's let's move on let's let's just you can ask questions when when when the time is appropriate I'm saying to you chair you came at me like I said something wrong so you have me feeling uncomfortable. So I want to know what that's about. I don't know you like that.
- 2:16:42 So Dorsey, get comfortable, okay? There's no reason to be uncomfortable. Lucifer, go ahead, please. All right. So as I was saying, for the first quarter of the fiscal year, as you see, they are in quarter to date column or fiscal year to date column. The retirement system reported a 2.8% net of these performance. So, we continue to have thankfully a good calendar year. We also had a good quarter to date of 2.8%.
- 2:17:33 Of course, as you see there, the equities markets represented 13.7% of absolute performance on the fixed income 0.9 of around 1%. The next page, actually page 29, now we have it in one page, all the different assets and managers that are actually part of the plan. So as you see there, we have around 14% in equities that return 13.7% for the quarter. We have around 81% in fixed income that is composed by one active manager that we still have, view asset management, and then two index funds, TIPS and BlackRockUSD which in fact overall had a quarterly performance of 0.9.
- 2:18:43 There is no performance that we can show for Messyroll because being a private equity firm they report actually on a quarter delay so we have no performance to show here. But overall, overall a good quarter, I would say 2.8% for the system being 80% in equities at this point. I think that page 30 also is a nice summary of the calendar.
- 2:19:20 calendar. This is not fiscal. This is calendar year performance. Since 2011, we started our relationship in 2012. So it has been overall a good sustained performance. And next page is the same as a fiscal year which just for reminders 2020 was 7.3 percent 5.2 in 2019 7.1 in 2017 and so and it goes so on to give you again the same data point that we were sharing for quite some time now since inception uh the uh plan uh return I believe to give the exact number it was 8.9 percent yes 8.9 since inception so it's year after year since inception has been 8.9 percent definitely above the actual rate of return so

again not that not a very positive reminder is that we have 443 million dollars in liquid assets we are actually net cash flows of around 100 to to around \$150 million a year.

2:20:56 So that means it's just do the math in around three more years at this rate, regardless of the performance of the plan, we will be running out of money or close to running out of money. Say a 20% return on the plan would mean plan would mean roughly 80 million dollars which still we will not covering uh the net outflows of the plan and a 20 return over the sustained uh next couple of years it will be um an impossible promise to sustain uh but uh so again good news in terms of how the uh portfolio has been performing given the asset allocation and the level of risk uh although i would say this could do the level of risk that we are taking uh given the liquidity concerns but unfortunately with this alone we will not will not solve the liquidity issues for the plan and with that mr chair those are all the remarks that i have prepared for today thank you sir any questions for trustees any additional questions i have one um given given all that you've said to us uh gustavo and you know your presentation what you know what what is it what what is one overall or overriding message that that that sends to us in terms of our investment strategies?

2:22:48 Is there anything that we ought to do? Is there anything about investment strategy that you need to be tweaked, need to change? Any advice? Sure, thanks for the questions, Rani. know we every every uh end of fiscal year uh we prepare our projections of liquidity because the the key and most important aspect right now is having access to the liquidity to be able to pay the benefits every year so every time that it finishes the fiscal year on september 30th it's a couple of weeks a month after that we prepare as we've shown you on the meeting before we prepare the projections of cash flows in and out and with that we took the asset allocation to make sure that we are invested in assets that are liquid enough that we can sell it and in 24 hours have the money to pay the necessary expenses. So we've been focusing on that for a while and we did that in october and we presented that to you um the um there were no major changes in inflows or outflows that should be modifying that projection so far uh so uh there's uh nothing that we should be uh changing in terms of uh strategy the strategy uh given that we are probably three or three and a half years away from running out of money unfortunately continues and the prudent thing to do it continues to be uh focusing on on liquidity 100 percent um anything else uh it's uh you know we can of course try to maximize as much as we can with the prudent risk given the liquidity concerns

2:24:48 uh performance as it has been it has been has been lucky we have been lucky with performance but um no no changes to the overall strategy um at this point thank you any other questions i have a question uh i'd like to know how long this company has uh actually been contracted with the the board with the government doing this service how many years you've been with the board Yes, since 2012, sir. 2012, okay, thank you.

2:25:33 No problem. Anything else? Okay, Gustavo, thank you. Thank you very, very much for your presentation. Okay. Now, thank you all. I will disconnect and hope to see you soon and be safe because the big monster is still out there and it's still making people sick. So thank you so much.

2:26:10 And if you speak to Leo, before I do, wish him happy birthday for me. I will definitely wait for all of you, for sure. you okay thank you thank you sir all right regular session new business selection of new officers okay are we taking nominations at this time i think we can yes all right i'd like to put forth um a nomination for trustee uh nellen berry for chairman of the gers board second all right any other nominations okay hearing none roll call was that uh cohen and uh smith second yes trusty bowery yes trusty cohen yes trusty dorsey yeah yeah you're mute you're mute trustee dorsey not voting thank you trustee liger yes trustee mcdonnell absent trustee smith yes chairman calendar yes

2:28:01 five yes one not voting one absent motion passes congratulations mr chairman thank you okay mr barry congratulations uh i don't have to gather the garbage was left in st croix anybody wish anybody wish me commiserations no you have my sympathy mr bowery there's no sympathy there's just just that we we we want you to do as well as the former chair and then we we we normally um the the new chair usually take everybody to lunch we have to do that have to do that virtually yeah i don't know we we could eat and send him send him the bill that's good mr barbie you're in charge i am now as of now after the next meeting i think mr liger mr mr pedro isn't it that i don't think over the next meeting next meeting yes normally won't be the next meeting dr carlinger why because because it's because the trustees are saying so yes i don't want to be a lame duck anything

2:29:53 all right so i'm i'm stopped okay um do we have do we need to elect the vice chair we should okay i thought that's what we should know is there a lot that says we have to no it is there's a lot that would say we have to well you only have a vice just in case Is there a nomination for vice chair?

2:30:30 We'll let everything fall on Mr. Bowery's shoulder. Don't we have, do we have, does the system have official officers? I mean and they're designated officers of the yes what do you mean the officers the officers for the board are chairman and the vice chairman and the sec and the administrator serves as the secretary and that's a statutory provision so you elect

two officers the chairperson and a vice chairperson pursuant to your bylaws okay so we need to have a vice chair any nominations um yeah you can always nominate next next month excuse me you could always nominate next month if nobody wants to nominate anybody um we need a nomination i wish we could wait until the next two uh persons are on board anyhow uh what's what's the plus i mean the the term of offices is that two years i understand it's a two-year term and the bylaws provide for elections to take place the first meeting in January, except in the situation where somebody was filling the position and became vacant and you have to have a special election.

2:32:29 William, you've led us. We hear you all the time and you usually lead us correctly. but we don't we haven't heard any nominations so we can't what do we do so give us some alternative now well if you don't have any nominees then you can't have an election right um i'm not sure why that would be the case but um maybe mr boy may need to have to lean on somebody to take the job um i don't see no problem right now i mean we could always um pick the vice chair next month it is it is no rush now if nobody wants to be um vice chair so i don't i don't see what is the whole love mr bory could go ahead and um conduct the meeting as such i'll nominate mr coin i don't think we need to take an hour on this if there's nobody to select or by share we just pick it up the next time i don't see what to rush down today again i i don't want to be controversial but i i take the position and as legal counsel to the board that even though mr cohen has resigned he continues to hold his position until his replacement has been confirmed

2:34:17 that is if your if your term is up but if you resign isn't that something different um the law the lord has not made that distinction the law says that the trustees continue to serve until the replacement is confirmed no uh no i i don't know let me understand this correctly did uh mr trustee cohen resign or his term expired resigned he resigned he said if he resigned he leave with the date of his resignation he leaves that is one way that one can interpret it but as counsel to the board it is my opinion that based on the law that he continues to serve until his replacement is confirmed attorney attorney smith williams please explain to me the difference between when a trustee's term expires and when a trustee resigns send he resigns is is that the same well what the effect of that is that he's saying i no longer want to serve in this capacity whether because your term has expired or because you submitted a resignation when a person resigned the position if you look i believe the most recent situation may have been what happened at the psc is that i think mr bernet continues to serve until a replacement has been named for him

2:36:07 excuse me let me chime in on this um to clarify what the president precedents already been done in my situation was governor ross trustee ross resigned in within the first year of the second term and he stepped down there was a vacancy there was an election there was a delay because in an appeal for over a year until i was actually sworn in so therefore there's already been a president's established here no i take the position that you continue to serve until your replacement is confirmed but i nobody can make you show up at the meeting which is what happened with trust he was if he decided he isn't coming he isn't coming the same as mr mcdonald decided he isn't coming but he still served as a member of the board if you decide you're not coming you don't show up but technically you're still a member of the board until your placement is named attorney williams i disagree with that that's fine because you you you you you are talking about a person that resigned and a trustee that just do not come to meetings that's not the same um trustee mcdonald do not come to the meetings but he has not resigned that's true so but so if i decide to resign from the board and i said my resignation is taking effect on march 31st or march 29th whatever on my story was i don't come to any more meeting but if if my term expires i could i continue to come to the meeting until i am replaced by

2:37:56 the governor that's that's that's the way i understand well again you may disagree but i'm telling you what the law says the law says you continue to serve until your replacement is confirmed not if you resign the lord doesn't resign the law does not say that what advice about attorney william if i say um i resign as of today and i don't come back anymore and i just said you have that option of that right but from a legal standpoint you still continue to hold the position until your replacement is confirmed yeah i got that you may you may choose not to appear or participate but legally you still hold the position until your placement is confirmed uh for six years for six years i've been taking the advice of of attorney william sometimes i wonder why um i'm gonna if if it's not inappropriate i'm gonna second the nomination of of trustee going to be the the vice chair i have no problem i will support him but but i i still don't agree that if he sends his resignation to the governor i say to the governor governor thank you but i resign as of so let go we'll deal with it then let it happen what's the what's the what's the effective date of his resignation

2:39:43 i think it's supposed to be march 18th yes i thought it was i thought it was done with the expiration of his term is it not correct dr cohen yes it was um ross's five-year second five-year term was done march 17th 2021. So if your term not expire, you're not resigning? Well, I was informed by Attorney Williams I can't do that, so therefore I resign.

2:40:19 I informed you of what? I made a motion Mr. Cohen has not yet as of yet said no and I second seconded by then I cannot accept if it has to go on record um I cannot accept the nomination for that post i don't see why we are taking two hours on this issue if he doesn't want to take the vice chair we don't have anybody to take the vice chair we move on we do not i do

not want the vice chair myself i am getting too old now i need to spend some time for myself i probably would resign within the next month as well and as trustees if we don't want to see like advice you know i don't see what is the rush is it is it don't be a problem we don't have a vice chair attorney williams because i i have maybe a month and a board as well so oh wait a minute uh are your boy cutting some something well again trustees continue to serve until the replacements are confirmed um i mean if nobody wants a job then it remains vacant until you have an election but as i'm saying is it could stay vacant until next month you have two trustees coming on next month as well so two new trustees i'm not sure that's accurate that we have two trustees coming on next month

2:42:25 in march don't know yet i mean i think you have one trustee coming in in march and when is the election the election for saint koi doesn't get finished until april is not correct mr notes something like that sir yeah so it's not going to be next month it doesn't matter we don't have anybody for by channel so what we want to do well that's okay nobody wants it nobody wants it but that's what we're saying they're gonna stay vacant i was deciding whether we should have a vice chair or not i mean if nobody wants it we just move on and we just stay vacant from what i'm hearing if mr chairman is that come march we may not have a quorum that's what i'm hearing because trustee liger said he's planning to leave resign yeah they they they board say you can't uh you have to stay until you replace me mr mr liger said no he resigned he wouldn't come to meetings i'm hearing trustee smith saying the same thing i'm looking at you know we may not have quorums to all meetings so it becomes a meal point if you don't have quorum yeah have a meeting okay all right i guess we could um i don't know what what to do you have to deal with this um after this meeting ends february

2:44:21 okay okay hearing no i'm sorry jenny william and we have to move on yeah i think so what exactly what what exactly would be our rule in in in the various cities in what so like you ask the question okay is he talking to us let's see on the phone oh i don't know okay all right then i guess we will move on and um go to the next topic uh chair i just have a question yes i just wanted to get a clarification from legal counsel uh based on the code of this system and the election process are we definitely following what we're supposed to do as trustees at this time this is to the legal counsel for the board i'm not sure i understand your question trustee dorsey my position is the bylaws provide that election of officers shall be held the first meeting in january which is this meeting um there was a nomination for chairperson which was approved i think um mr bowie nominated miss dr quinn and i'm not sure what happened with that i think it was seconded but i'm gathering that the corn declined the nomination is that what happened yes

2:46:11 okay so so my understanding is at this point there are no candidates for the position of vice chair person so in the absence of a candidate there can't be an election so i think the chairman was suggesting that we move you all move on with the rest of the meeting so if and when there's a candidate there can be an election but the elections should be held the first uh meeting in january of the year of an election does that answer your question mr dorsey as long as we're following protocol following the bylaws everything is good if that's what you just said that's fine thank you thank you let me move item number two approval of the haven site uh fiscal year 2021 operation budget i would like to move to accept the 2021 budget for the haven site wall of do you have the bottom figure let me see if i can find it real quick well done For \$2,682,134.

2:47:41 Do we get a second on that? Second. i'd like to before you vote i i suggest that you amend the motion to to include at least the major major line items that are included in the in the in my report in the budget committee report which which totally is it's totally 2 million 682 134 okay you want to designate the the amounts for each category to have that written in not just the lump sum yeah that's my recommendation yes yeah i would agree with that that's it i would amend my emotion or re word my emotion my notion no no we would just attach a copy of the budget to the resolution um so that it's clear what is being approved but if you want to list the specific line item you can what's your wishes um trustee barbie i wish that they would do both me because because they as i indicated in in my in the report i listed um four line items that total the two million six eighty four one thirty four and i also said that um i recommend that the language says that the specifics the details included in the in the presentation the presentation by staff which has the details being incorporated by reference as part of the budget

2:50:00 yes i i would like to make the motion with the the the four items that were specific and the amounts each one like personal services fringe benefits one million five hundred ninety six thousand five hundred seventy nine so each one of those four supplies other services and utilities have their designated portion of that two million six would it be easy easy to say um as as as recommended by the budget committee and included in the in budget committee's report would that cover it that's how the resolution would read okay okay so we have a straight now do we have a second give miss smith's second all right roll call please trusty barry yes trusty cohen yes trusty dorsey trusty dorsey he's a he's a mute he has a mute yes trusty liger trusty liger i don't see him in attendance uh let me see yes okay trustee mcdonald absent trustee smith trustee smith she's a mute too

2:51:48 i don't think i don't see her on the um i think she left oh trustee smith she's there trustee smith said yes i am here yes they need answer chairman calendar yes six yes one action thank you sir the haven side fiscal year 2021 operation budget has been approved do you have any an unfinished business okay and uh this portion of the meeting will be close to the public for matters pertaining to trade secrets of financial or commercial information need a motion to go into executive session i move that we go into executive session mr chairman second trusty barry yes trusty cohen yes trusty dorsey yes trusty liger yes trusty mcdonnell absent trusty smith yes chairman calendar yes just six years one absent thank you so we'll be in executive session we need a five minute break um please five minutes break and sorry attorney uh ms sherry

2:53:42 good day so give us give us a few minutes and we will be right back

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 Vincent Liger

heard in this transcript as: Liger
- 3x

Trustee Andre Dorsey

heard in this transcript as: Dorsey
- 3x

Trustee Leona E. Smith

heard in this transcript as: Smith