Government Employees' Retirement System Monthly Board Meeting

GERS Retirement System (Board of Trustees)

September 13, 2019 · 0.6 hours · gov

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0:00:01 Good morning. Good morning. September Board of Trustees meeting is now called to order. Trustee Caldwell.

0:00:28 Colwood? Present. Trustee Cohen? Present. Trustee Liger? Absent. Trustee Maynard? Present. Trustee Donnell? Absent. Trustee Smith? Absent. Chairman Calendar. Present. Four present, three absent. St. Corey, are retirees in the room? No, they're not.

0:01:11 Okay, we have none on St. Thomas. Thank you for your minutes. Madam Chair, item number 11 on page 3. Energy audit. name of the trustee who made the motion to approve the funding for the elevator is is uh is omitted okay we can go back to the i can go back right now tell you who it was Thank you.

0:02:42 here it is motion was made by oh it doesn't say by trustee and second by Smith, I can tell you right now, the motion was made by Kuhn was made by Trustee Kuhn. Mr. Smith, if not the arrival of Trustee Smith.

0:03:35 I'm sure I make a motion that the of the regular meeting of august 22nd so 22nd 2019 be approved as amended as amended okay i'll second that motion been moved by dr calendar seconded by dr cohen to approve the amended minutes Trustee Carwood? Yes. Trustee Cohen? Yes. Trustee Liger? Absent. Trustee Maynard? Yes. Trustee McDonnell? Absent. Trustee Smith? Yes. Chairman Callender? Yes.

0:04:38 I guess Communications, correspondences No Ain't nobody loves us this month The mail wasn't delivered Chairperson's report Doc No I have no report here the chair um unfortunately i could not be there because of the impending hurricane but i hope to be there tomorrow so i should be present for next month board meeting. Administrator's report. All right um in August 26 I attended the evidentiary hearing with GRS versus Governor Virgin Islands. August 27th I invited and I was invited an interview with the urban land institute which was sponsored by which was sponsored by the government of the virgin islands good morning um now we can start okay please get approved Okay, Mr. Names is in the middle of his report.

0:06:35 Okay. I'll begin again. On August 26th, I attended an evidentiary here on district GRS versus the Government of the Virgin Islands. August 27th, I was invited and attended interview to Urban Land Institute, which is sponsored by the Government of the Virgin Islands. September 5th, I was invited to appear on the Baker Phillips Show on WSDA. On August 5th, I attended a presentation by V.I. Port Authority on the redevelopment of the Grand Bay. application inventory sits at 196 plus there have been some changes and there have been some completion and addition it was 9199 i think last month 30 days ago however we are still um getting the getting the applications out retirees are being retired usually within at least 90 days the average refunds from January through August 2019 number of cases completed 689 number of cases pended 48 as we speak the number of dollars are six point six million dollars of that six point six million dollars the regular

0:08:28 which are not vested or 6.2 million dollars. Dead benefits, we are processing out their benefits, started to move forward with those again. Completed from January through August 31, 37, for a value of 1 billion, 2 billion, 2 million dollars. Number of cases to be completed, 98. Life certificates, there was an additional eight that were added there was inadvertently overlooked and we added eight more which were international which brings the total to 110. 98 was successfully received 11 was suspended because of addressed change to the GRS they came back. Two were terminated because of debt certificates received. One poor attorney rejected. Seven responses pending. Four payrolls, still about ten point seven million dollars every two weeks. The number of retirees as of September 13th payroll $8687. Number of dollars paid out from October 2018 to September 2019. September 13, 2019 $240.7 million. Number of retirees added to the payroll from October 1, 2018 to September 13, 2019 $459. Number of retirees added to the payroll for the September 13 payroll 12. Number of retirees expected to be placed on the payroll for the September 30th payroll 16

0:10:19 number retirees deleted since October 289 and as I said the payroll as of 9 13 was 10.7 million our loan portfolio as you see is decreasing about 4908 auto loans as of 831 I mean not auto loans I'm sorry personal loans and mortgages stands at 97 mortgages as I said those personal loans will be matured by 2024 as far as the elevator in the White House still pending the replacement still waiting for response from Boris. In St. Croix our recommendation from the indoor quality tests were completed except for two items which were installation of the UV light in the air conditioner duct and interior cleaning of the air conditioner duct. A construction company in St. Croix Brothers Construction was given a mobilization required to start hurricane restoration project and Jay Benton ordered the materials for the fence repairs and in the process of fabricating the panels.

0:11:48 Casino Commission, the lease renewal is pending. I think all this is to be renewed. However, we did make some contact with them and we are drafting the lease. Well, actually the contracts are drafted, we just have to meet to determine the CAM charges because we've never before charged CAM charges. So we have issues meeting with the commission. Yeah, and we had issues because of the commission. In the St. Thomas complex, we have a lot of challenges.

0:12:18 The last few months obviously with our air conditioning system, The proper daily outages have had a significant impact on the operation of the air-conditional system. However, the RFP was sent out, advertised. I know that we had a pre-conference meeting this week, last week. This Monday? Monday, yes. Monday we had a pre-conference meeting with the RFP, and hopefully we can move forward, select our vendor, move forward with the installation of the new air-conditioning system. It has created a lot of non-productive time for us. We have had to let our staff go home on many occasions and also for the tenants, justice, and personnel also.

0:13:08 Contractor, custom builders, has mobilized and has started the exterior skin project we do have some roof issues some were fixed and however during the passing of tropical storm there was some water penetration from the roof the legal and accounting areas and in one of the hallways or rental collections in August we collected fifty three thousand seven and seventy two dollars and fifty cents. $39,461.50 was for rental. $14,311.08 were for electric. Total fiscal year to date, we have collected $1.5 million. Our rearage is $285,955.32. Rental is $80,533.44, and electric is 205,000, 205,421. The majority of that is Department of Justice.

0:14:15 How have we been working with them? I think so. They did pay, they came in after the report was completed. I'm not sure, but some of those are marriages have been paid in the last couple days. We're on top of that. In regards to the insurance claim, we continue to work with FEMA and by team on our project worksheets. FEMA is currently awaiting some information from us on Haven site and our service contracts. There has been an additional award of $61,103.40 for Category B, which is the GRS main complex in Thomas, and $400,000 for surveillance cameras at the Hayden Site Mall. That ends my report.

0:15:09 Any questions for the administrator? um are we looking for quarter um funding from fema or that's it we're looking for additional monies that's it that's it last moment st croix we i guess we didn't reach our um our threshold in regards to the uh she wants to look she could answer oh yeah go ahead okay good morning um in st croix like mr Nips were saying we didn't meet the threshold so we didn't get any insurance proceeds so because of this whatever we expend and in Mr. Nips report he talked about the mobilization money we just contracted with some contractors to do those repairs any money we spend we would get reimbursed from FEMA for that amount because we're not covered by insurance on St. Croix. As for St. Thomas we have like four more projects they're in conjunction with the Haven site and and that's why he read those two new amounts. So we have eight project worksheets total for them, and we've got them paid on almost half already.

0:16:16 So we're continuing to work with them for the remainder. So there's additional funding to come. That was her question. Yeah, yes, there it is. Thank you. St. Croix, questions for the administrator? No, I'm good. I don't have a question, I just have a comment. Mr. Nibs, I'm happy to see that the retiree application for the individual in 2012 have been finally completed. Well, I guess we got a piece of Wang Lui.

0:16:53 That was a Wang Lui person? That was Wang Lui. Wang Lui still have some outstanding old years to pay us, but that was a Wang Lui person. I see there's a 2013 also. Is that also Wang Lui? probably most likely yes one of the week okay the only person that owes us money is going back that far okay thank you i have one question for loans there is i don't know if it's a typographical retiree loans for 2019 i mean for july 1738 for august 1741. Oh, that's four in front of me. Yes. Eight, ten.

0:17:44 Yeah, with three, yes. I thought I'd been there was a misprint in July, but I'll check. I didn't take that out, but I'll check. It actually occurred in last month's report also. Okay, well, I'll check on that to see exactly what. See what I usually do is just look at the bottom line, add the amounts up, you know, but I just do a bottom line check. Okay. Thank you.

0:18:22 Any other questions for the administrator? Committee reports. Audit and medical review, none. Policy, none. Development? No, I don't have any.

0:18:55 Investment? No. In regards to investment, I don't know if Mr. Nibs want to elaborate on the due diligence or that's something that we're going to discuss on the agenda in the next second session. Treasurer's report. Mr. Amaya, you are up. Good morning, vote chair, other trustees. This is the government employee's retirement system, schedule of receipts, and this reimbursements for the month ending 31st, 2019. Receipts from collections. Loan repayments $1,942,133. Year to date $24,022,765. Rent from tenants slash utilities $42,351. Year to date, $1,505,358. Rents from Havenside tenants, $442,810. Year to date, $5,574,673. Employer retirement contributions 9,061,305, year-to-date 78,884,250 degree, employee retirement contributions 5,321,807, year-to-date 44,974,464, parking facility, 630. Year to date, 11,410. Miscellaneous, 147,904. Year to date, 30,451,094. For total

0:21:01 collections of $16,958,941 year-to-date $185,424,017. Disbursements, annuity payments $21,750,556. Year-to-date, $238,173,527. Administrative expenses, $1,949,690. Year-to-date, $13,028,217. Personal loans, $59,391. Year-to-date, $343,549. Mortgage loans, $63,217. Year-to-date, $608,306.

0:22:00 Retiree loans, $7,592. Year-to-date, $243,289. Potter loans $8, year to date $162, land loans, nothing for the month of August, year to date $1,962, refunds of contribution $786,905, year to date $11,407,667, allotments to Wicom slash management fees, year-to-date $3,141,265 for total disbursements of $25,542,331, year-to-date $266,947,945 for a net cash deficit of $8,583,390, year-to-date $81,523,927. That's the end of the reading.

0:23:18 Any questions for Ms. Jeremiah? No, I don't have any, no. Doc? Okay. St. Thomas? I don't have a question, but I'm going to go back to what I used to say when I first came on board when we looked at the difference from moneys collected from contributions and monies dispersed for annuity payments in the past the shortfall was made up by our investment income we are running out of investment income since we have been closing our investments what's going to occur when is you know and this is not a question you can answer it's more of a rhetorical when are we going to or when is the government going to realize that this is this impending collapse because of the fact that we've drained all of our savings this is our problem uh mr nims the governor had spoken had said that he was going to be having meetings with you often. Have you had a recent meeting? Yes, then we have, when are we, we're going to have to call them in? If I can comment, I was listening to the budget hearings and they had the executive team there and the legislature saw in the budget a million dollars and asked them what it was for and they said it was to do

0:25:16 studies on GRS and WAPA. Unfortunately, none of the legislators questioned them about why they're doing additional studies they just let it go I just wanted to let you know that's what the plan is and the fact that I think earlier last year the recommendation to hire somebody like consultant that works with CalPERS and the comment that we told him that we have the same consultant and no response since then so it's problematic and part of I'm going to share with you what some of the active members had stated as far as what we need to put out some more of. Thank you Ms. Jeremiah. And if I may I was sent around I think to Mr. Nibbs this report this article and it showed the state plan fundings ending fiscal year 2017 and the lowest funded was montana at 47.59 we're at 23 percent we are now when you go to our meetings we are now where when i came in we were comfortable and they were like how do y'all continue how do y'all sustain now we're below anybody else and all they can do is offer condoling they're like we're sorry we don't know. You can see the big difference 23 and the lowest is 47. I mean that's really bad. We're still standing because there are other collections coming in.

0:26:59 Loans and all that stuff and the interest and loans. I sent the governor a copy of the actual report, no response. So I don't know what more to do. Maybe we need to go public with our stuff well that's the recommendation i have for you from some active members um trustee smith we need to put this like hong kong but in addition to that um i i noticed um either a month ago or something that the government were able to um recover some of that rum come over in a month of 200 and something million dollars i thought the governor would have um mentioned that He will put some of the money towards GRS, but I haven't heard anything.

0:27:45 Mr. Nibisi, are you aware of that? I remember the money coming in. I didn't see anything else. No, not to us. I saw the people that they did receive it from home. But that's something that, you know, the governor should have jumped on and... He jumped on it. He did jump on the GRS. He put it where he wanted it to go. Quickly. I think the people out of Rojas need to get serious and then you just need to protest like Hong Kong and those other countries. If I may, I think we need to take some stronger action but I'd rather discuss that in the Well, I have some recommendations from some active members that's for later on the meeting. I thank you, Ms. Thank you, Ms. Jeremiah.

0:28:28 Madam Chair, I would like to make a motion to approve the Treasurer's Report. The motion was moved, Ms. Smith moved it. You need a second? Yes. Then moved by Trustee Smith, seconded by Dr. Callender. Chairman Callender? Trustee Caldwell? Yes. Trustee Cohen? Yes. Trustee Liger? Yes. Trustee Maynard? Yes. Trustee McDonnell, absent. Trustee Smith? Yes. Chairman Callender? Yes. Six yes, one absent.

0:29:15 Thank you. Investment officers report? Mr. Anderson is on vacation so I'll try to do my best with reading the investment numbers. As of August 31, 2019, the investment balance of $628 million, started out with $622.9 million. We had a net cash flow negative of $163,837, income of $8,024, and gain of $5.1 million dollars for ending market value of 627 around it to 628 million dollars we raised 48 million in the month of August 48 million came from the brandy wine liquidation we plan to raise 3.4 million in the month of September those amount would come from mid-cap index liquidation A lot of paid. The total plan performance. Total plan return 0.8% for the month. Outperformance benchmark by 130 basis points. Total equity negative 1.9% return. Outperformance benchmark by 20 basis points. Total fixed income 1.7% return. Underperformance benchmark by 90 basis points. Total alternatives, negative 0.4% return, outperformed its benchmark by 100 basis points. Notable managers performance, Pew Capital 2.6% return was in line with its benchmark.

0:31:01 No updates on appliance dates for the month. That ends the report. That's a question. There's a lot of numbers. Anyone want to challenge Mr. Nibs to questions? I mean, I don't have all of them deep answers, but you know, it's not explanatory. accuracy and think right no the cash is going down must remember it doesn't includes member loans and the St. Croix office complex and the St. Thomas office complex but it includes our alternatives which is which is like Carambola and the vacant properties. I must check to see if Carambola is included in that 96.8. I'm not sure because if that is the case then we need to take that out. But as you can see we are working on domestic thinking mainly and we do have cash of 152.3 million okay thank you mr. Nibbs the next portion of our meeting is to be held in executive session this portion

0:33:03 meeting will be closed to the public for matters pertaining to the trade secrets and or financial or commercial information. Motion to exact section please. I'm pretty sure you do. Yes.

0:33:35 There's some questions going on. Yeah. Sir Nims. Hi. Good afternoon. I'm Liz Siva Knight. I'm a reporter with the St. Kravis. I was just wondering if it would be possible for me to get a copy of the committee reports? We don't have any committee reports. We're done. The reports that were run into the record today. Yeah, the public knowledge, yeah. why don't you send me your email address or get so that I can maybe leave your email address with one of the trustees and I'll send you those reports okay perfect I'll do that right now thank you we have a motion on the floor need a second second it's been moved by trustee Smith seconded by trustee Liger to enter into exact session. Trustee Caldwell. Yes. Trustee Cohen. Yes. Trustee Liger. Yes. Trustee Maynard. Yes. Trustee McDonnell. Absent. Trustee Smith. Yes. Chairman Gallin. Yes. Six. Six. Yes. One. Absent. We are now in exact two minutes recess.

0:34:57 Go to Gratham, send it. Thank you staff.

People named in this transcript

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

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