GERS BOT·s General Meeting 8/24/23

GERS Retirement System (Board of Trustees)

August 24, 2023 · 2.0 hours · gov

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0:00:00 Okay. Trustee Dorsey. Okay, good morning folks. This regular meeting of the Board of Trustees of the Government Employees Retirement System of the Virgin Islands For Thursday, August 24, 2023, it's here by call to order. Mr. Dawson, can I have a roll call, please?

0:00:33 Yes, good morning, Mr. Chairman. Before I begin the roll call, I would like to read a piece of correspondence regarding a member, ex officio, into the record. This letter is dated August 23, 2023 from the Division of Personnel. uh their ceo dawson this correspondent serves to notify you that i will be unable to attend the grs board meeting scheduled to be held on thursday august 24 2023 on set date my management team and i have previous have a previously scheduled meeting hence the reason there will be no dop representative available to attend on my behalf thank you for your understanding and i look forward to the next scheduled meeting sincerely cindy l richardson director division of personnel uh roll call um trustee nellen l barry present trustee barry present trustee andre t dorsey present trustee dorsey present trustee vincent g leiger he's excused trustee leiger excused trustee sydney richardson um mr chairman i access she be marked as excused trustee ronald e russell excuse trustee russell excuse trustee leona e smith present trustee smith present trustee dwayne a colwood present trustee colwood present mr chairman uh four present three excused all right thank you sir we have a quorum um are Are there any comments and suggestions from retirees?

0:02:16 Hearing none, are there any comments and suggestions from active members? Okay, let's move to the secretary minutes for the June 22nd, 2023 meeting. Are there any changes or corrections that need to be made to the secretary minutes for the June 22nd meeting? I have none.

0:02:47 Can I have a motion to adopt the secretary minutes from the June 22nd, 2023 meeting? Mr. Chair, make a motion to approve the secretary minutes of 6-22-2023. Do I have a second? Second. All right. Moved by Trustee Smith, seconded by Trustee Dorsey. Mr. Dawson, can I have a roll call, please? Yes, Mr. Chairman. Trustee Bari?

0:03:14 Yes. Trustee Bari, yes. Trustee Dorsey? Yes. Trustee Dorsey, yes. Trustee Liger, absent, excused. Trustee Russell, absent, excused. Trustee Smith? Yes. trustee smith yes trustee callwood yes trustee callwood yes mr chairman we have four aaa and two absent in the minutes for the june 27th meeting are adopted let's move to the minutes for the july 6 special meeting are there any corrections that need to be made today july 6 minutes hearing on can have a motion to accept the july 6 2023 minutes so moved second moved by trusty dorsey seconded by trusty smith can have our work out please mr dawson yes mr chairman uh trustee burry yes trustee door trustee burry yes trustee dorsey yes trustee dorsey yes trustee dorsey yes trustee liger absent excused trustee russell absent excused trustee smith yes trustee smith yes trustee colwood yes trustee colwood yes mr chairman uh there are four yeas and two absent okay the minutes for the special meeting on july 6 2023 are adopted uh mr chairman at this time i'd like to indicate that the minutes of the august 7th special meeting will be presented at our next board meeting okay are there any communications and correspondences uh we did receive a correspondence from senator alma francis heiliger i think that matter however is being taken up in our our regular session uh portion okay what do you like for the letter to be read into the record

0:05:07 regardless no we'll um address it take it up at that time yes sir are there any other communication the correspondences uh no sir all right uh chairman's report i have none administrator's report uh yes uh good morning all once again it's my pleasure to present the administrator's report for August 24th 2023 which has been circulated the first section of the report deals with meetings presentations and appearances and we'll go through those you officially began my duty at the government employees retirement system on July 10th at which time I held a general meeting with all staff on both St. Thomas and St. Croix, St. Croix attending remotely. On July 11th through July 12th I held one-on-one meetings with all senior staff. On July 13th I met with Mr. Anthony Otley, President and CEO of Wyco. I also had a general meeting with all Haven Sight Mall staff and conducted a tour of the Haven Site Mall. On July 14th, I held a direct reports meeting. July 17th, I held a meeting with regards to the Haven Site Mall and Waiko water separation project. July 18th through July 21st, I attended the board retreat at St. Croix Carambola Hotel, included a number of sessions. July 25th I meant to discuss and finalize the fiscal year 2024 budget proposals with our Chief Financial Officer. On July 25th I held a direct reports meeting which is something that we have established on a regular bi-weekly basis. July 26th I held a meeting with the non-exempt managers of the government employees retirement system I also held a meeting with the exempt managers of the GERS on that day I also met with the board chair to discuss the fiscal year 2024 budget proposals July 27th I had a meeting with at Haven site Haven site mall management to discuss various tenant issues I also that they held a meeting with the principles of Haven

0:07:44 Development Hotel Project. On July 28th, I participated in a meeting with Vitec regarding our software package. August 7th, we had the special meeting of the GERS Board of Trustees. August 8th, I held a direct reports meeting. August 10th, I held a meeting to discuss ongoing legal, a particular ongoing legal case with our general counsel and others. August 11th, I held a meeting with the UIW SIU shop stewards of the GERS. And August 15th, I held a meeting to discuss duty-connected death annuities. And that evening, we held a very successful and well-attended meet and greet at Pier 22, an establishment at the Wyco Pier with all Haven Site Mall tenants where we received some very good feedback and input from the tenants. August 17th I held a meeting or participated in a meeting with regards to the Vitec migration contract and also participated in a meeting with regards to the Vitec v10 migration overview and internal formation i also that they held a negotiation team meeting with regards to the uiw siu contract proposal and also had a meeting with regards to the haven site mall warehouse tenants planning committee and on august 18th i participated in the haven Insight Mall Oversight Committee meeting. So that is a snapshot of my various meetings and activities through August 18th, when I prepared this report. I will continue with the, bear with me as I scroll through. uh point information chair should i just hold it to the end yeah i just had a question on the july uh 13th meeting with waiko uh is that something you're going to share with the trustees later the outcome of that uh with the president and ceo of waiko

0:10:24 yes uh there was no set agenda that was more of an introductory and uh courtesy uh call uh on mr ottley um since i was on my essentially third day in the job and was on the property i just sat with him uh for familiar for familiarity's sake okay and then the august 11th meeting um UIW and SIU shop steward that was an in-house meeting yes that was an in-house meeting okay so how did that go all right of course I would speak for myself and I would say that I thought it went very well okay all right that was it thank you thank you the administrator's report will continue with a report on member services with regards to retirement applications as of August 31st 2023 through August 31st 2023 a total of 177 retirement applications well it's not quite August 31st as yet is so through the date of this report which is a bit premature by having August 31st is through August 24th we had 177 applications of which 58 have been processed and there are 119 applications remaining to be to be completed in terms of processing so that is a completion rate presently of 33%. Compliance and control contribution processing, October 1st, 2022 through July 31st, 2023.

0:12:19 In terms of refunds, there were 60, I'm sorry, the number of cases completed were 785, of which 410 were for regular non-vested members. 18 fell into the erroneous category. Four were employer share and 353 were overpayments for a total count of 785 and a total dollar figure of seven million nine hundred ninety one thousand dollars rounded uh there are 60 cases pending death benefits uh there were 33 uh cases completed totaling one million seven hundred ninety thousand dollars and there are 41 cases pending The accounting department report, the cumulative, the number of retirees on our system as of August 15, 2023 was 8,784. dollars paid out from october 1st 2022 through august 15 2023 total 232 million 252 402 dollars and five cents and um that was comprised of uh service retirements annuities an amount of 227 million dollars rounded survivors annuities one and a half million dollars rounded duty connected death annuities at $2,243. Duty connected disability annuities $2.7 million rounded and non-duty disability annuities of $1.3 million rounded. The number of retirees added to the payroll

0:14:17 from October 1st 2022 through August 15 2023 number 323. The number of retirees added to the payroll for the august 15th 2023 pay date was four the number of retirees expected to be placed on the payroll for august 31st 2023 pay date is 19. the number of retirees deleted from payroll from october 1st 2022 through august 15 2023 uh total 290 as of the august 15 2023 payroll the gross retiree payroll uh amongst to 11 million 138 650 dollars and 23 cents We have a disbursement by location, statistics. We have a total of, like Puerto Rico, we have 64 individuals, retirees, who receive their annuity in Puerto Rico. We have 1,682 that received their annuity in the United States mainland, and we have six receiving their annuity payments internationally, for a total of 1,762. We're very encouraged that of that 1,762, only 34 are being paid by check.

0:15:54 1,728 are being paid by ACH, in other words, they're being paid electronically. And then, of course, we have the lion's share of the retirees being located physically receiving annuity in the Virgin Islands proper. That totals 7,749, of which 4,046 are in St. Thomas, 3,472 on St. Croix, and 231 are on St. John. Of that amount, of the 7,749 in the Virgin Islands, 80 are being paid by check, and 7,669 are being paid by ACH.

0:16:37 So, that would cover the disbursement by location as of August 15, 2023. On the subject of loans, personal loans we'll cover first. As of July 31, 2023, we have a total of 315 active personal loans and 411 retiree personal loans. loans for a total of 726, of which 422 are in the St. Thomas and John District and 304 are in St. Croix. As of July 31, 2023, there are a total of 52 mortgages, of which 39 are St. Thomas and John and 13 on St. Croix. In terms of outstanding balances for loans, we have a total of $8,485,946.18 of which $2,414,000 rounded are active personal loans. $2.9 million rounded is retiree personal loans a million fifty one thousand represents purchase or refinance mortgages 1.8 million dollars is construction loans and three hundred five three hundred six thousand rounded is land loans I'll move on to reporting on our physical premises. The St. Croix office complex, we have various relatively minor projects pending which includes the marking of our additional parking spaces. On St. Thomas, routine activities are occurring with regards to cleaning. we did engage with ABC cleaning services to provide some services recently and I

0:18:52 think that we were pleased with with the when their work product upcoming we have a number of maintenance type issues that will be that will be undertaken at this time unless there's any particular interest to to know the details I'll leave that to the written report but it includes things like power washing and filling up potholes. The major ongoing project for the St. Thomas office complex is the new GERS generator which is on-site but we need to have the electrical engineer well the electrical engineer completed their preliminary report of the new generator for the GERS main complex so that's a step in the right direction and we are in the process of completing the permitting process permits have been submitted to the Department of Planning and Natural Resources with regards to Haven site mall we've had excellent progress with regards to the warehouse J the GRS contacted tropical shipping and we received the mezzanine that was ordered for that for that building and of course that's important because with the ongoing projects at Haven site mall we have reduced the number of warehouses all of the warehouse space is being consolidated into one building so the mezzanine provides a second floor that expands the capacity of the building and there's a schedule for the for the erection of that mezzanine which is approximately if i'm not mistaken miss clinton in five weeks correct we do it one second um okay I didn't even look up and realize that it was scrolling.

0:21:02 Of course, an exciting development and the subject of one of my meetings at Haven site in July was the progress on the hotel development. A meeting was held with Haven Development to provide an update on defencing, the building schedule, the pilings, which have to be driven, and the overall construction. based on the feedback and the need for additional parking spaces the revised green space and parking lot is shown below i don't know how clearly it is being transmitted but that's a schematic of the of the overall site plan the new parking and the green space um also could somebody could somebody point to where they really hotel is actually located on that yes sir um you could point it's on the right side it's on the right side it's not my screen that's being projected is uh in your no you're projecting yes yeah okay The right side of the cashier. Over there. Not where the blue is.

0:22:25 There's a bit of a lag. Can you help us, Ms. Glennie? I think it's good. the area where the little um where my pointer is do you see the hand this area the um hotel this is where the white building is located this is gate three and that's the new proposed parking area and that's the green space and the existing warehouse jade okay got you thanks you're welcome so proceeding with the hotel development and the haven sites uh mall development um in the green space uh there's a proposal for the erection of bronze statues that will depict um what are called colloquially the coal women given the history of the the dock and the coal women being an important part of that history and it's also an effort to inject some historical significance as well as to differentiate our property in terms of providing a cultural experience to our visitors there will be several very large bronze statues located in the green space we received marquee of the statue which is a smaller representation of what the final statues will look like which we shared with the tenants that attended our meet and greet and it was very well received and thought that it would be a good addition to the property. With regards to the generators at Haven site, we have obtained the DPNR permits to build a generator house, to install the exhaust and air ducts which are being fabricated, and to test the system once the installation is complete. I think many of us are familiar with the fact that there

0:24:59 was a collapse of a cantilever of overhang at Building 3 at the Haven Site Mall in the vicinity of Delhi Deck. A meeting was held with Building 3 tenants to provide an update on Building 3. Geridian Design Group has completed the drawings and specifications. A meeting to develop the scope of work for the contractors was held on August 18th which was last week so very good progress there as well and we did update the tenants that attended the meet and greet about the progress that we're making on building three as well by the Haven site mall waterline replacement and rehabilitation we had a meeting held with Ellipse Engineering and Design Services last week, Tuesday, August 15, to discuss several items regarding that project. The GERS Haven Site Mall staff and WAPA representatives were also present at that meeting. With regards to to office buildings, rental and electricity collections for July, 2023.

0:26:23 Rental of six, I'm sorry, year to date, rental of $718,846.90 were received and electrical payments of $385,055.43 were received dollars and 43 cents were received for a total of 1.1 million dollars and there's presently a hundred and ninety five thousand in a rearage which of course we're actively pursuing with regards to leases for the GERS's non Haven site properties the VI police department property and procurement since a draft lease for vipd for the grs to review and we sent back the lease with revisions on august 9th pnp is reviewing the lease presently the casino control commission the draft lease was sent to the casino control for review on june 26 2023 and i believe that we're still waiting to hear back from them uh the division of personnel uh where's the vip this space gonna be um this will be the ground floor of the main complex here uh in st thomas the former space occupied by i believe first virgin islands uh bank um years ago okay what are you gonna do there records and fire records and archives like firearms licenses and things of that sort okay okay okay so actually it's a good opportunity point of information chair so the vip is going to take that floor what area is going to be designated for parking because they do a lot of business in the records section well we're fortunate to have

0:28:38 a sizable to date free parking lot uh right out front um that can be utilized for parking there oh okay all right okay okay thank you right and this of course is a good opportunity for us to maximize rental income because i do believe that space has been vacant for some time so it would be good to uh to get that uh leased that's assuming assuming they're gonna pay on time well you know we have ways of making people pay so we we are optimistic that we'll have a good relationship with of all people at the police department and not to mention that it should provide us with a an added measure of security here at this complex when they're here um so so so point information chair um to the administrator i i don't know if you know the history administrator i don't know if you got a chance to look back in the records but we're having a problem just collecting from justice um so we're bringing police here and i understand the security concept um but if you have some strategies in mind i i hope they're better than what we've been using in the past because we've been back and forth with trying to execute the lease and also trying to collect monies from justice alone i think at one point we were ready to remove them from the profit so i'm not sure how that's going to work just to piggyback on that i mean all our major delinquencies are with the government agencies i mean whether we're talking about electricity when are we talking about electricity rent uh or contributions i mean oh so i'm i'm i'm not i'm not as enthusiastic as you are about the fact that

0:30:45 Well, Trustee Dorsey and Trustee Bowery, your points are well taken. Actually, in terms of our government tenants, those are presently the Department of Justice and the Division of Personnel. The Division of Personnel, on the other hand, is completely current with their rental payments. The next exhibit, Exhibit A, which is on slide 10, will show that, in fact, there is an arrearage with the Department of Justice, but I don't know that we're going to conclude that because one division has been historically in arrears, that means that another one will, because we have the division of personnel that's an excellent player with the same government. um yes excuse me chair to the ceo um that just happened for the first time i don't remember ever seeing that the time i've been on the board where that section has been paid in full so i'll just say that for the division of personnel i had suggested in the past which is being done in other aspects of the government when it comes to the budget process and i think it started with the water and power when we were behind as a government and paying the water and power and something was done either through the senate or administratively done but i think it was done through the senate where during the budget process when they're actually allotting the monies that the monies were coming directly from those agencies and going to the water and power authority and that was my suggestion that we do if we're going to engage with these agencies i guess in our future

0:32:32 contracts with them, it should be understood that we're going to get our money off the top before they even get their money to do anything. That would be part of the budget process that they're going to be allotting a check to the GRS through finance, cutting the check to us as they receive their allotments, which you're probably more familiar with being that you ran finance. But I mean, that's my understanding of how the situation is now, something like that, where those agencies that were traditionally in the rares is now WAPA is getting those monies directly of course along with the assistance of the governor making independent payments to WAPA but if I think moving forward if we're going to be dealing with agencies that we have to rely on payment from the central government we need to figure out a mechanism internally that we get our money off the top in those allotments so if they get three allotments four allotments a year each allotment would be a payment to us directly from some other mechanism internally so if you can look into that that would be very helpful or we can add it into future language and our agreements that's that's what the understanding is so it might have to be done by law um but into the law which i'm sure we can get a senator to do that for us um trustee dorsey thank you very much for your your thoughts much appreciated we will certainly take them under consideration as we consider uh the lease presently before us as well as future leases with the government of the virgin islands okay thank you thank you um so with regards to the department of justice the department of justice provided the financial information required and the legal team at the department of property and procurement is preparing the lease for the for for submission to the department of justice for legal

0:34:37 review but property and procurement which is a key part of this process is seeking additional payment information from the Department of Justice so PMP actually is a good partner with us in this process because they're ensuring that the department in question which would be our tenant which is our tenant would have the necessary financial resources allotted appropriated allotted and reserved for payment of their lease obligations we've covered exhibit a actually showing that division personnel is current and there's in fact an arrearage a rental arrearage of a hundred and eleven thousand dollars as of july 2023 from the department of justice and 82 000 for electrical all our other tenants which are in the private sector or the casino control commission are current so mr chairman um that would conclude the administrators reports unless there are any uh questions which i would be pleased to address any questions yeah yes um can you go back to page four of your report yes sir uh regarding member services it's page four if you go back to page four in this section um the compliance control section and you talk about the overpayment just the payments in general

0:36:32 but the overpayment portion can you look into that in the future in terms of when I guess when we upgrade the software that it can actually be tracking and maybe it's able to do that now it can track the overpayments so that we're paying paying back right because that's an overpayment that means we're refunding that back to employees right yes trustee dorsing so that and the um those regular employees that are non-vested that are leaving that's still a big number what's your recommendation on that number bringing that number down Well, I think that there was some general concern with regards to the continued viability of the retirement system up until fairly recently, but the special purpose vehicle that was established on the funding note that was given to the GERS, I think, has begun to rebuild some confidence in the long-term viability of the system, so that should serve as a disincentive for individuals removing their contributions, non-vested individuals. We will continue to work very hard to rebuild confidence in the system so that folks would know that we are a safe place for them to leave their contributions and ultimately to be able to uh to get a retirement annuity upon retirement so i would i would just say this again with your software update if you can track the individuals so that we don't have like a revolving

0:38:26 door members coming in going out coming in coming out and it should be a penalty for that as well because that's that's a hit on the system as well so that's something you could probably track because they're going to have if they go out and come back in they're going to have the same employee number right yes they maintain the same employee number right so if you can track that see if there's a pattern of people coming in and just before they invest it they go back out you know maybe we have to again i suggested before tying it to your probationary period you decide if you're staying or not staying you see so that's just a suggestion for that i want to go to page seven and talk about the saint croix property before before i leave that page just just to clarify i'm not sure i understand what sorry the overpayment is is that grs has overpaid to to retirees no no sir the employee has overpaid to the gers and um and if they request it would be refunded the overpayment okay okay okay thanks you're welcome sir uh my question with my question with the over my question with the overpayment was just to be able to track it a little better um whatever refunds are due to issue those quicker and smaller amounts right on either side paying back or receiving either side for the non-vested again tracking employees that might be um kind of coming in going out of the system if that is the case i really don't know um but that dollar amount is just a big amount that we have to be uh sending back to those employees that are non-vested that don't want to be part of the system after a certain time it's just to follow that i think with it if we can just have some data on that in the future maybe we'll be able to see what's going on with that um i was saying page seven to st croix property yes sir so like you said well

0:40:43 maybe not you but it was my first time visiting during the um meeting we had in st croix recently at the retreat. I thought the property, just an excellent property, the layout, the upkeep from what I could see walking around the facility. Employees were just off the top, excellent, excellent mentality. Just a very good ambiance with the employees. Same in St. Thomas, but it was my first time meeting the employees and i thought the building was just like should be the model of future buildings coming up territory wide um it was just clean the landscape was unbelievable um i was very impressed with that property it was like a like a campus layout so and i said to myself the only thing they were missing was like uh uh uh what do you call it um a tv or a big screen in the break room for the staff because i remember asking the staff i know in st thomas they have that but you guys that need something um because you're just watching the environment that that seemed to be the only thing really missing it was a minor item but it's an important item i guess for the working staff in st croix but other than i thought the property was excellent and now you're talking about putting more work in so if we could we could do that in the future we'll be the lead in the government in that because the schools and the hospitals the our even our recent fire uh stations it it doesn't have that that chris that that's that um building layout has in st croix i was very impressed with that

0:42:36 And I want to go to page eight as well. Mr. Chairman, is site plan? Call up, call up, call up, trustee Dorsey. I would like to go on record as concurring fully with trustee Dorsey. It was my first visit as the administrator nominee to the St. Croix property, and I, too, was very impressed with the maintenance of the property, and I told that to Mr. Dempster, who is our facilities manager for the GERS. He and his team does an excellent job, and I do believe that for employee morale, if we can get a television placed in the break room, that would be appropriate. So we will be following up on that as well. And frankly, the grounds, I told Mr. Dempso, I found to be probably the most beautiful and well-maintained of any government complex that I've seen in the Virgin Islands. So I wholeheartedly agree with your assessment.

0:43:38 I didn't want to step on any toes, Chair. I mean, sorry, Chief, CEO. I didn't want to step on any toes, but the landscape was, like, unbelievable. So I know we talked about salary increases and bonuses, but you have to look at something because that property speaks for itself. it really speaks for itself and i think it should be the model for all government property and procurement needs to take a ride to see how a building should be maintained period property and procurement so if you're speaking with them they need to have a site visit to the two properties actually so i was just impressed and like i said the staff the staff was very very outstanding at least with my uh presented to me and it was just interesting it was just different and i'll just leave it at that um i wanted to go to page eight the site plan you just talked about for the new structure the new hotel being proposed on the dock um i see what was sent to us But it's not readable. It's still not readable even on your screen today. It's not readable. The legends are not readable. The details are not readable. So I guess I'll have to come in and look at it. And I wanted to ask, is this open to the public to come and view as well, chair or CEO? Can the public come and view it?

0:45:14 uh well our facilities are always open to the public and if a member of the public wanted to uh arrange to see the the site plan which is admittedly a large uh document uh we would be happy to make arrangements reasonable accommodations uh to be able to uh to share the plan with them that's that's all it was for me um i appreciate other other than that it was good i would also like to concur with your assessment of the staff um i while the building is a great asset the greatest asset that we have are our human resources and i do feel that we have tremendous staff with even greater potential so i agree with you as well uh thank you again that's all it was for me any any other trustees have any um questions with respect to the administrators report all right let's move on to the committee reports any committee chairs have any reports to offer at this time all right treasurer's report you can share my screen morning board chair of the trustees this is the chatter's report for july 31st 2023 Receipts from collections, we receive employer contributions of $5,783,568, year-to-date $82,452,512.

0:47:18 employee retirement contributions we received three million eighty seven thousand three hundred and thirty eight year-to-date forty six million two hundred and ninety two thousand five hundred and eighty three we had a miscellaneous collection of one million six hundred and twenty four thousand year-to-date four million seven hundred and fifty two thousand six hundred and five for total collection are in july of ten million nine hundred and fifty seven thousand nine hundred and seventy one year to date two hundred and ninety eight million thirty seven thousand eight hundred and thirteen this first month we have annuity payments of 22 million 925,349. Year to date, $233,087,050. Administrative expenses, $1,034,557. For the month of July, year-to-date $12,663,797, for a total disbursement of $24,726,302, year-to-date $256,093,973.

0:48:42 In July, there was a net cash deficit of $13,768,331, and year-to-date, a net cash surplus of $41,943,839. At July, we have withdrawn $110 million from the investment portfolio, and our administrative expenses were 89% of our budgeted amount. Move on to the Havenside Mall. In the month of July, we collected 368,407. Year to date, 4,459,303. three and we spent at the Haven site mall for the month of July three hundred and fifty nine thousand eight hundred and eighty six year to date four million one hundred and ninety two thousand three hundred and fifty seven we had a net cash surplus of eight thousand five hundred and twenty in July and year to date 266 945. our budget our expenses were 81 percent of budget no 52 percent of budget i'm sorry for the havenside mall that ends the treasurer's report um chair any questions Mr. Chairman, while we're still in the process of reporting, I should have mentioned at the end of my administrator's report that the GRS management, including myself, will be before the legislative committee, formerly known as finance, but now appropriations, budget,

0:50:36 and finance on Tuesday, August 29th at 9 o'clock in the morning. We've already submitted our testimony to the committee as requested let me let me ask a question is that on a particular issue this is the annual overview it's part of the budget hearing process at the legislature since we do not receive an appropriated budget from the legislature we don't really call it a budget testimony but we refer to it as an annual overview okay um i don't know how the rest of the board members feel about this but um when i want to i i recommend that we ask the legislation for um for an appropriation to cover the the contribution delinquencies for the government agencies the big ones particularly wapa and and the hospitals um i mean if they're the same way they they do want to say maybe they do an appropriation to cover um vital or whoever for for for their delinquency um i don't remember the dollar amounts but i know that the whopper owes us a big big chunk of money for for contributions i think the last report showed that they're paid up on the employee but they haven't made any payments on the employer portion and that was a big dollar amount i don't know if you remember what that number is off and

0:52:23 excuse me over 11 million over 11 million dollars and similarly for the for the hospitals uh particularly snyder hospital i think that those those i think they own us to both employee and employer contribution so you may want to put a plug in and see if you get the legislation to a special line item of appropriation in those guys' budget someplace so we could get paid.

0:53:04 Is that your motion, trustee? Is that your motion? I mean, if it needs to be a motion, I'll make it as a motion. You can make it as a motion because I was going to second it. okay so okay i mean let me let me hear some reactions from other board members before i don't have any objection mr chairman i don't have an issue with i'm not a board member of course but i would uh indicate that we do have the figures owed by uh wapa and roy schneider hospital in our presentation to the legislature next week so at that point in the presentation that may provide the opportunity for further discussion and for the ask uh per uh trustee worry okay so i guess um there's a follow-up and trust the dossiers then i guess um i wish a resolution from the board or a formal motion from the board will probably give you your request some more clout and some more strength yes sir so so i i move that um as part of your your presentation that the grsu request of the legislation um in the fy 2024 budget um amounts required to pay the delinquencies of um

0:54:58 WAPA and the hospitals and any other government agency they're in a serious delinquency for for for for particularly for contributions I second it okay move by Trustee Bowery seconded by Trustee Dorsey have a recall please Yes, Mr. Chairman. Trustee Bowery? Yes. Trustee Bowery, yes. Trustee Dorsey? Yes. Trustee Dorsey, yes. Trustee Liger, absent, excused. Trustee Russell, absent, excused. Trustee Smith? Yes. Trustee Smith, yes. Trustee Caldwell? Yes. Trustee Caldwell, yes. Mr. Chairman, four, yes. Two, absent.

0:55:48 All right. Motion is adopted. Okay. in okay so you guys will clean up the numbers and get accurate for us to present yes sir uh we do believe that the numbers that we presented uh are accurate um i would point out for further context that uh in the presentation we are also per uh the directive of this board at the special meeting um in august uh requesting that the legislature consider uh funding the administrative expenses of the gers to the tune of 15 plus million dollars as had been done previously up until i believe 1998 and we're also renewing the request for the employer contribution to be increased from 23 and a half percent to 26 and a half percent uh which uh we are entitled to do come uh january 2005 uh but feel that accelerating that uh will help to uh continue to place the gers on a firm uh financial footing um on an accelerated basis so we will be making those requests as well that's going to be particularly important because i noted recently that um the one call one cover over increased back to 30 and 50 it's a limbo last thing i read um so it doesn't it doesn't appear that we that that's we're gonna be getting that anytime soon

0:57:39 and you recall that last year the last payment we had um was short and the the i think the pf had to make up the amount so that we could get 157 million that that's part of the plan and hey it's going to be short again this this this year because i i don't see the one cover over thing i don't see any movement on the one cover over last thing i read from from the from the delegate she wasn't very she didn't seem very optimistic that that that is going to happen many times soon anyway so it's important that um that we get we get all those monies that that's outstanding because we're going to be short on that on the on the refunding piece yes sir that's it for me uh uh ceo let me just uh i'm sorry administrator let me just ask a quick question with that have you had a chance to sit down with um i guess the executive director of the section um where mr nathan simmons is located um have you had a chance to speak to him in reference to the cover over position have you had an actual sit down because i didn't notice it in your earlier part of the agenda when you were inquiring about the different meetings i know you sat with um the weichel and the uh chair of the pfa but mr simmons have you had a chance to speak to him since you uh came into this position uh trustee dorsey no i have not spoken with him as yet i have not had the opportunity i know him very well we work very well together and it is my intention to to have that discussion as of right now um the recurrent with regards to payments under the the funding note however the concern uh that trust the borrower raised with regards to what we're all reading uh regarding the excise tax from cover over it is a concern

0:59:55 and will be a topic of discussion with uh director simmons okay i i only mention that because when mr simmons spoke to us he said we were covered because of how they put the plan together how they financed this whole package and how they put it together that the 1325 at 1325 it would have been three times the amount that was needed to service the debt and at 1050 it was twice the amount that's what uh was presented to us so he said we had nothing to worry about um the 1325 was to give more of a cushion but at the 1050 we were still covered it was twice the amount in the and the cover over that's what we were uh that was presented by mr simmons when he spoke to us as as trustees and as a sister um so i would say i would say for that there's nothing none of the schedules that i see support that okay i i understand that too i was i was saying that to myself but i i was asking the previous um uh executive director if and others have asked if we can receive the records as trustees we would be able to review the entire package for ourselves but to say we only sign a portion of a note uh in this process that's that was So what I was asking of this CEO, if you can follow up on the same documents that we requested to review the entire package, we wanted to review the entire package so that we could see that information for ourself.

1:01:52 And then any time we get back with Mr. Simmons, we'll have different questions for him because we'll be able to read the entire package of the transaction because we're at a little disadvantage when Mr. Simmons would come and tell us one thing. And then now trustee or he is saying he doesn't see anything to support it. So maybe there is document to support it. To be fair to Mr. Simmons, we just need to see the entire package. So if you can follow up on that, that would be very helpful as well.

1:02:22 Yes, Trustee Dorsey. I was not privy, of course, to the conversations prior to my arrival, but now that you've elaborated, I will certainly pursue that matter as well. Thank you. I'd like to make a motion to accept the Treasurer's report. I have a motion by Trustee Smith to accept the Treasurer's report. Can I get a second, please? Second. All right, moved by Trustee Smith, seconded by Trustee Dorsey. Can I have our own thought, please? Yes, Mr. Chairman. Trustee Bowery?

1:03:02 Yes. Trustee Dorsey, yes. Trustee? Yes. Trustee Bowery, yes. Trustee Dorsey? Yes. Trustee Dorsey, yes. Trustee Liger, absent, excused. Trustee Russell, absent, excused. Trustee Smith? Yes. Trustee Smith, yes. Trustee Caldwell? Yes. Trustee Caldwell, yes. Mr. Chairman, Fourier, two absent. All right, thank you. Point of information, Chair. Go ahead, Trustee Pelosi. Didn't we also mention at the retreat one of our meetings as related to the loan program that we were going to ask for assistance from either Senator Gittins or one or the other uh members of that committee to assist us in bringing forward the loan program we had some discussions on and i just don't have my notes i can't find my notes okay but first of all what we were discussing is the operation overview that's going to be presented to the legislature that's that's a totally different item that you're asking about uh we mentioned about the cost of bringing on the loan program we mentioned that we would go back to asking the senate to cover the administrative the costs which the loan program is going to kick into a portion of that loan program is administrative costs and we also discuss the lobbying amended by senator gittins and in that amendment it had caps on what individuals could receive and I think we were at a figure and we were asking that we would discuss at that meeting that we would make a request for maybe half the amount from Senator Gittins since he was pushing the program one of those senators really we're pushing this loan program we came to a number and i don't remember what it was let's stick to the agenda please and i'll go left um let's get let's get back to the agenda well what i was asking you chair because we're mentioning the administrative costs and you're saying that that's not part of this that is not part of the administrative costs okay okay that's fine investment officers report good morning mr chairman other trustees listening audience

1:05:38 uh this is our update of the grs um portfolio as of july 31st 2023 uh just to give a summary of the um activity for the month uh global equities were up in the month of july uh emerging markets outperformed developed market equities which was in contrast to much of the year so far uh smaller size companies performed well uh lower inflation and several developed markets supported overall gains um in the markets uh in fixed income the u.s corporate bonds outperformed government bonds uh in the month our total plan performance so the total plan was up 2.2 for the month uh physical year to date we're up 11.4 percent i want to note that this is including um our local investments um minus the memo loans program and the st thomas and st croix office complexes uh the inception number is 8.2 percent and that goes back to 1981 our total domestic equity returned 3.6 percent for the month it's up 19.1 percent physical year to date our total international equity positions are up was up four percent for the month uh the developed market portion was up 3.2

percent our emerging market equity positions were up 6.0 percent uh physical year to date international equity is up 27.5 percent our total domestic fixed income returned 0.5 for the month uh our investment grade grades bonds was down slightly by 0.1 our tips or treasury treasury inflation protection protection securities were up 0.1 percent and our high yield bonds returned 1.4 percent for the month fiscal year to date um total fixed income is up about 6.1 percent total alternatives was down slightly for the month at 0.2 percent um what did that relate to in dollar activities

1:07:59 So we ended the month at approximately $454.7 million in market value for the plan. So we began at $464.5 million beginning. We had a net cash flow of about $20 million to fund the retiree payroll. We had a negative income of about $28,000. We had an unrealized gain of the portfolio of $10.2 million.

1:08:31 That brought us to that ending market value of $454.7 million, approximately. Physically, here to date, we began at $355,277,000. We had a net cash flow of $47,811,816. That includes the funding note that we did receive in October. We had a negative income of about $2.9 million. We had an unrealized gain in the portfolio so far for the fiscal year of $54.6 million.

1:09:10 that brought us back also to that $454.7 million ending market value as of July 31st. As it relates to investment management, custodian, and consulting fees, we paid no fees for the month of July. Around the year to date, we've paid about $207,000 in fees, investment management $49,000, investment consultant fees totaling $94,000, and custodian bank fees of $64,000. Physically, year-to-date, we've paid about $315,000. Investment management accounts for $107,000 of that. Investment consultant fees $130,000, and the custodian bank fees total $78,000. As it relates to securities lending, some of our funds are lending funds and do participate in security lending. month to date, we've earned $3,160. Year to date, our earnings are $20,800. And for physical year to date, our earnings are $23,700. And those securities lending proceeds are invested back into their respective funds. Mr. Chairman, trustee, that ends my report for the month of July 31st. Thank you, Mr. Henderson. Any questions from Mr. Henderson?

1:10:41 Where did you show the fees? I kind of missed that on my screen. It's right here. If you see my call, sir, it's right here on the side. Oh, okay. Yeah. so i know those fees are based on on on some performance right it's based on a percent of something is it it's based on contractual amounts it's contractual not performance based okay so what's the what's the formula in the country uh so for instance uh uh with ssga um they would charge for instance three basis points for uh managing of the and i'm just calling out as a matter of fact hold on one second i'll i'll get that number please those more isolationist views um somebody's open mic in some place okay one quick second mr okay i mean you could move on you could you could fill me in later no it's fine so for instance if you look at the fee schedule so they charge a percentage of the assets so for russell 3000 index we pay 0.02 percent of assets is a percent of the asset on the management correct so it's it's assets on the management are not performance based okay so in total we pay our estimated fee of about 0.03 percent which estimated if you look at it's at 107 581 107 581 okay okay minimal minimal fees for the index funds that we currently are are in

1:12:50 now all right you got trusty maury yes i'm going you have a question don't see you or you go yeah i have a question mr henderson can you take me back to what the actual cash on hand is again cash on hand currently in the portfolio as of seven so the one i think was um about we had about 690 000 in the cash account we anticipate to do um a draw from the portfolio to cover september's um benefit expenses and that should be completed by the end of this month what was that number you said oh that number would be about 20 million okay so that would take us up to year to date that would take us up to uh 130 million with we will have withdrawn at that time okay all right thank you you're welcome thank you chair mr chair i'd like to make a motion to approve the investment report investment officer's report of a motion by trustee smith to accept the investment officer's report can i get a second please second all right move by trustee smith seconded by trustee dorsi Yes, Mr. Chairman. Trustee Bari? Yes. Trustee Bari, yes. Trustee Dorsey? Yes. Trustee Dorsey, yes. Trustee Liger, absent, excused. Trustee Russell, absent, excused. Trustee Smith? Yes. Trustee Smith, yes. Trustee Colwood? Yes. Trustee Colwood, yes. Mr. Chairman, four-yay, two, absent. Thank you.

1:15:06 the motion carries next item up um consideration of the contract with ideas for development of a strategic and infrastructure plan for the havenside mall this is the item that we discussed in a special meeting um so i asked to have it on the agenda and today's agenda so that we could actually take a formal vote um to move forward with the proposal can i get a motion or or i assume that we've had all the discussion that we need to have on it and it's just to vote it up or down uh can you can you let me know what the figure was again because i was looking for it I'm going to figure it out, $346,050, and then $70,075, and then $70,075, and then $70,075, thousand seven six thousand zero seven zero for phase two so like four hundred twenty two dollars four hundred twenty two thousand one hundred twenty dollars okay so we are proving phase one are we approving phase one phase two the entire the entire thing okay so the total figure was 422 so can i get a motion to um approve the idea proposal so move okay move by trustee dorsey can i get a second second seconded by trustee smith can i have a roll call please yes mr chairman trustee barry yes trustee barry yes trustee dorsey yes trustee dorsey yes trustee dorsey yes trustee liger absent excused trustee russell absent excused uh trustee smith yes trustee smith

1:17:35 yes trustee colwood yes trustee colwood yes mr chairman four yay two absent all right the motion carries thank you next item up was consideration of bill or discussion of bill number 35.0048 um that was sent to the grs for review by senator francis heiliger um would you like me to read into the record the correspondence yes i shall be there shortly okay um letter dated That letter dated erroneously, clearly August 25th, 2023, in that this was received some time back, but that is the date on the letter via hand and email delivery. I was addressed to Mr. Austin Nibbs, my predecessor, CEO, Administrator, Virgin Islands Government Employees Retirement System, regarding or referencing legislation pertaining to annual reports from GERS. Dear Mr. Nibbs, I'm writing to request your opinion and input on a piece of legislation that I submitted, Bill 35-0048. It is an act amending Title III, Virgin Islands Code, Chapter 27, Section 719B, requiring the government of the Virgin Islands retirement system to send each active member an annual report of contributions by U.S. mail or by electronic means at the member's option. Attached is a copy of the bill. I feel that your intervention is needed. If you would like to make any changes or include any information, please let me know. I will be open to consider it. I appreciate your attention and response to this letter. You can reach me at 340-693-3600 or send an email to Senator Francis Heiliger at legvi.org respectfully, Senator Alma Francis Heiliger, 35th Legislature, and the bill follows.

1:20:13 okay um i i didn't have a one-on-one discussion with senator francis heiliger concerning the matter but i believe this came about um as a result of the testimony by myself and mr naves during the december 29 2022 um legislative hearing where we were discussing the the annual statements to be made out to active members and we requested that the code be amended to allow the members the option of choosing to have it received by hard copy or electronically.

1:20:52 The way the statute is currently structured, we don't really have the authority to offer the electronic delivery option. So I think this is the legislation was in response to that request that we made um so the correspondence was in fact circulated to the applicable staff members most pertinently in this case our general counsel Kathy Smith but as you hear I think that you can address it uh yourself okay good morning mr chair i just have one suggested change that um the current bill is missing the word benefits for the contributions and which is in the current law and i think it's important because just remember just receiving a statement of your contributions while that's going to be easier for grs to produce it doesn't um provide what contributions are missing and the approximate benefits they're going to receive that are in the current statement.

1:22:01 So I think we should just add that additional language so that we continue to produce the same statements we're producing. I assume it's fine, but as I'm looking at the bill, paragraph 3, they're striking the benefits of, so maybe we just need to tell them to delete that so that the benefits stay in is not what you're saying i'm just saying that they need to add though that language is missing so they need to strike it based on what the bill says yeah add the language is fine either way it's fine okay so what's the general consensus of um how are you um i had i had some thoughts on it um i kind of wish it was a separate meeting um you guys know i'm going through something similar but i don't want to get into that today um but i had i had some different thoughts that i i agree uh information probably should be added but well well all this bill does is i i can't bring it forward right right now because i didn't conclude the the bill just addresses the the means by which it's dependent people but not the content not how it's structured anything like all it just says basically the intent is also allowed grs to um offer the members the option of saying i don't want a hard copy send it to me via email that's it okay well let me ask the uh the system itself did to i guess to do this transaction should make it i guess even talking to council that should make it a lot easier to get the information out at this point so um i didn't hear all what the board chair was saying what was missing

1:24:13 what needed to be added i didn't hear what the board chair was saying i'm sorry the board council sorry was making a reference to something no the general council for the system indicated that the bill needed to add in the word benefit um in the appropriate space and i indicated based on section one paragraph three of the bill that they were striking the word the benefits of so i was suggesting that maybe we our comment need to be not to strike the word benefit and i think that would achieve the same objective that attorney smith was was conveying so they could do it either way they could just take out this paragraph three or they could just add the word benefit back into the bill okay i'm i'm good with it uh chair thank you uh council you're welcome sir trusty barry yeah yeah i mean i'm i'm i'm i'm fine what was that did i meet someplace where somebody was sort of um calculating you know the the the cost of the effort it took in terms of was that the same thing i was reading i've read some place where you said we spent spent several nights with several staff and envelopes and stuff yeah it's related to the same thing oh okay yeah yeah that's miss griot was um doing fine-tuning the final number yes uh miss uh griot our uh chief of compliance and reconciliation uh was going through an exercise of calculating the cost that

1:26:05 was expended for the mailing of the statements but uh while that is not yet completely final suffice it to say that there is a significant cost associated with with with physical mail u.s mail as opposed to the email uh which most folks uh presently have and which is actually uh more secure uh for them yes i mean for us i i'm i'm i'm good i'm i'm fine mr chairman um just a question um ceo you said the email is more secure than the u.s mail uh yes unless someone has your password for your email account um versus uh mail uh going through several hands uh before it ends up in your hands i mean just i said i checked my mailbox and i had somebody bank statement that they yep they put in the wrong box i mean i didn't open it okay i i was just trying to understand how you were coming with that i understand that okay and that's not suggesting any malfeasance on the part of the post office system but things happen i guess my other question is um to the system again i was hearing something similar but i was waiting for that number as well because the former ceo indicated that we would get that number as to the cost of this process um is is it a staffing issue issue even with the change is it still gonna be a staffing or do you think there's more staff needed in the sections to assist in this

1:27:52 in the future no no trusty dorsey there wouldn't be more staff needed but there's an opportunity costs associated with pulling staff off of other critical functions uh to fulfill what may be superfluous in that the statement can be delivered electronically uh more readily than it could by generating a piece of paper placing it in on in an envelope putting a stamp on the envelope mailing it and hoping that it securely gets to its destination hello we're talking we're talking what's the approximate number almost nine thousand about nine thousand i think the bill is fine i was just uh thinking of just the operation overall if it's not a staffing issue because there's language that comes out sometime that says something different and i suspect that language is because you don't have enough staff to do certain certain functions within the system itself but i want to take up that time today yeah let's say that's 54 okay so we're all in agreeance that we're in favor of the bill um and recommending those that minor correction or minor edit yeah that's my understanding i am just people all right all right the next item so um for my clarification this would be a sense of the of the board correct

1:29:39 we're in support of the bill and we make those uh that one in my name and then check thank you okay next item up um i asked to have this item put an agenda resolution to resume in person board board of trustee meetings i know we discussed it at the board retreat and we were all um unanimously in favor of it in terms of the trustees are present but i wanted to have a formal actual vote to so um i'd like to ask somebody information go ahead um i i don't remember did we do a we did a um a resolution to not have in-person meetings or was it a discussion at that point because of what was going on in society yeah and when i came on the board you're already doing um virtual meeting so i cannot speak to whether it was a formal vote or not i just wanted to have something formal um i hear what you're saying chair but i was asking those who could reflect back because i don't remember it so i was just trying i think trustee dorsi we all agreed because of the uh covid to um to go virtual but i don't think there was an actual um vote but we all was in consensus of doing virtual um meetings oh okay and in the past actually um we had meetings um we were doing conference call from saint damas um conference room and st for a conference room so who wanted to stay in St. Norma, stay in St. Norma and vice versa and we did that for a long period of time right for years

1:31:32 so so we're gonna so under this new so we're gonna continue that that's that's the intent of to go back to work everything we're doing prior to COVID So you're in person, if you're in St. Croix, you're in person in the St. Croix? Correct. And if you're in St. Croix, you're in person at the conference room here. So Chair, if you're traveling, how does that work? Because I know all our constituents are still Zooming in, so in effect it's still a Zoom meeting and an in-person meeting. or is this just something germane to the trustee so if you're traveling and you're just not part of the meeting no no no i think it's executive session you can take part in right yeah but i i think oh you mean off island or you mean just within um st damas singapore off off off island if off island and within because you just never know you might end up you might end up at the airport because of a flight issue if i trust i mean if a trustee is on the continental united states i'm gonna say well you can't participate because you're not physically um in a meeting i don't know how you you know i don't know the executive session portion of it work but i mean take for instance trustee bowery um you know he's out of the territory dealing with some So we're not saying that he can't, he won't be able to participate because he's not physically in the, in the, um, in the territory.

1:33:15 Yeah. Just for information, I'm in St. Thomas right now. Oh, wow. Excuse me. You're like a ninja, am I just sneaking? Um, yeah. So, I mean, we, we talked, we hear a lot of references to the constituents and the people we represent and this and that and the other, um, pandemic is over. think they would welcome the opportunity to actually be in the room and after one of these meetings if we went to in person because of the pandemic the pandemic is now over so you know okay i was just asking thank you and and for instance when we have those giant maps like we have today it wouldn't be an issue you're trying to you know read a legend because you have to shrink the document to you know down into a page so there are a lot of little nuances that without encounter now because of the zoom format that you know we won't have if we're meeting in person that's that's the general no i i didn't see any issues with anything i think it's been working fine but i mean that's what you if that's what the majority wants to do that's fine there are times when people have technical

technical issues and you have to hold up the meeting 20 minutes somebody trying to log in somebody lose power the house and then we don't have a quorum so the meeting has it and abruptly all of that we've we've had poor bandwidth and free for bandwidth people for you yourself presented it i am i am um but i would say we've sat here and you're right in the room and your systems in the room go down so you still don't have a meeting because you still got to wait for i think it's mr moses to do whatever adjustments he has to do so the technology is the technology i mean there's going to be hiccups whether you're physically there or traveling it's just going to be hiccups we don't control the technology because the technology is in some points controls us so it has happened and i know it happened in a recent meeting with trustee russell well trying to come in and i said let's give him a minute you said no then your system went

1:35:33 down inside and we still had to go more than 20 minutes to get back up so things do happen i understand that so chair i will have to make a motion to approve the resolution to resume an in-person board of trustees minutes starting from one okay in person meeting means the trustees on st corey go to the same court office and the trustees on the same time because that's not the way the resolution is written i know we're alternating i think my intent was to alternate well that's yeah i trust you russell in here but he he don't like to remind y'all at the island well if he won't be fair to don't be fair to the sanctuary retirees no but if he wants to call you i i think i would like to resume what we had before which is if you were in st croix you want to stay in st croix and say namaste you want you stay in st namaste and i don't see a problem with that but it doesn't preclude that i mean if the position is we let's say to september you go to st croix if you live on st thomas so you want to appear you come to the conference you still appear but the staff and the majority of trustees will be in st croix all right i'm sorry i will be in st morse i didn't hear what trustee smith said something i heard i said no i said So what we're saying, so let's say, let's say we can start in St. Croix, have the meeting on St. Croix in September. If there's a trustee on St. Thomas that elects not to travel to St. Croix, then they participate in the meeting from the St. Thomas conference room. Likewise, if we have a meeting on St. Thomas and there's a trustee on St. Croix that elects not to travel to St. Thomas, they participate in the meeting from the GIRS conference room

1:37:25 answering court so how is that different from participating from my bed that's fine okay so is that the motion yeah that's a motion that's a motion trustee bory had a comment no we're not accepting that i didn't hear the comment when he was saying could you repeat your comment i did not hear your comments thomas and if the meeting is on st court and you're in st thomas you come to the st thomas office and participate and i'm saying so how is that different from participating from my bedroom i can't come to your bedroom no you're not coming you're not coming now i'm here in my bedroom right now i put it straight in just trying well that's why i'm here and it's in damaskan's room okay can i get a second to trusty smith's motion all right motion dies for lack of a second can i have a motion to go into executive session um so i mean just to be clear just to be clear nothing preventing me from coming to the conference for the next meeting right of course okay okay so i'm good can i get a motion to go into executive session trustee smith stepped out do we want to give her a moment to get back let's recess for two minutes standing recess for two minutes I would like to make a motion to go into executive session for matters pertaining to trade secrets,

1:39:42 financial or commercial information, personnel or legal matters are matters whose premature disclosure will frustrate the implementation of the proposed agency action moved by trustee smith can i get a second so move move by trustee smith seconded by hrc dorsey can have a workout please yes mr chairman trustee burry um i'm not sure if i agree that that's a as a executive session item so what's your vote not not voting trustee burry not voting trustee dorsey Not voting. Trustee Dorsey not voting. Trustee Liger absent, excused. Trustee Russell absent, excused. Trustee Smith?

1:40:50 Yes. Trustee Smith, yes. Trustee Colwood? Yes. Trustee Colwood, yes. Mr. Chair, two yea, two absent, two not voting. Aye. I don't got it. Motion to come out of executive session. Mr. Chair, I would like to make a motion. We're not in executive session.

1:41:23 I would like to make a motion to come out of executive session. We're not in executive session. We're not in executive session. Oh, actually, we're not, because it's dead. It was dead, sorry. So what's next? Is there a reason why we can't discuss this in the open session? Attorney Williams, this deals with personal matters. Okay, the reason we're asking for executive session, there are some personal matters within the discussion that we needed to conclude.

1:42:09 to actually come up with a actual budget to then voter so it's it's more than just simply this is the budget and we're going to discuss it and vote on it but that was the reason for the executive um that's the reason i was placing executive session i i never received that information did somebody send that out hello hello i never received it and i thought we already considered the budget in the last meeting so i thought this was just to confirm what we already agreed to so if something changed i didn't receive any documents can we recess let's reset for five minutes all right we're back on the record um can i get a motion to go into the executive session Mr. Chair, I make a motion to go into executive session to have legal matters, personal matters, and matters pertaining to trade secrets of financial or commercial information, whose premature disclosure will frustrate the implementation of the proposed agency action.

1:43:58 A motion to go into executive session moved by Trustee Smith. Can I get a second, please? second moved by trustee smith seconded by trustee bowery can i have a roll call please mr dawson yes mr chairman uh trustee bowery yes trustee bowery yes trustee dorsey yes trustee dorsey yes trustee liger absent excused trustee russell absent excused trustee Smith? Yes. Trustee Smith, yes. Trustee Caldwell? Yes. Trustee Caldwell, yes. Mr. Chair, four yay, two absent. Okay.

1:44:58 okay back in regular session um during executive session the board discuss some final tweaks to the proposed fiscal year 2024 budget for the government employees retirement system that included personal that included some personal matters at this time can i get a motion to adopt the fiscal year 2024 grs management proposed budget That's the budget that was discussed in the budget committee, I assume? Yes, it was.

1:45:46 We actually didn't have a budget committee meeting. We had a special meeting, so the entire board was in and they discussed it. what was the motion sorry to adopt the fiscal year 2024 management proposed budget for the government employees retirement system can I have some I have a question, Chair. What we just discussed in the executive session, is it assumed that that's part of the budget or do we have to amend it to add that in?

1:46:34 No, sir. There were two proposed budgets sent to the trustees and the one that we just adopted is the management proposed budget for fiscal year 2024 so that that includes that includes what we just discussed okay so that's the one we adopted to to move forward so i need a motion okay so miss which one is which one of those exhibits well that would have that in the that is the within the board meeting package uh trustee uh barry the management proposed budget uh is in the first attachment in it on page 86. yeah yeah which um so which exhibit page 86 it's beginning on page 86. okay i i have some so is this exhibit a or exhibit b which which one knows i should look uh just a moment sir exhibit is on page 88 which has to talk which has to talk page 88. let's go okay here we go hey it begins on yes it's exhibit exhibit a okay okay so the executive summary all right yes sir what was the what was the amount i'm just looking at the bottom bottom line numbers i know that um when we were doing the the funding

1:48:27 the analysis that was done by the uh our consultants that to show how they the funding note fits into the long-term fiscal condition of the system that showed you remember those where they went out showing the i think about the 30 years of the note and they had some some assumptions about the the expenses the administrative expenses that's the one that showed whether we want out the money or not you want to recall what i'm talking about yeah So, so there was some, you know, some, some about the, the, the, about the, the, the estimated expense, administrative expenses going out, number of years, um, if I may Mr. Chair, to, uh to assist um trusty bory the schedule that uh mikita presented had expenses at 15.3 million um from 2022 and it extended out to uh 27.7 million by well by 2052 yeah so what was it was the estimate i think the estimate for 2024 was about 16 million dollars right that's correct 15.9 okay and i think the the following you with like three million dollars more from a million it bumped up to 16.2 okay and so for for 2024 we assume 15.9 and this budget now is at 22 is that is that what we're saying

1:50:59 no uh no the 22 figure that you're looking at includes capital um expenditures and so when you remove the capital expenditures we are um within range in account you can't remove the capital expenses you're talking about cash flow capital expenses you have to pay for them right you don't have to you don't have to um you don't have to perform any any capital projects you must you must administrate well i i'm not i'm not sure why that i mean the capital projects that's in there saying the victory is what you almost told me and you're saying we don't have to do that you have the v3 for so so what what i'm saying what i'm saying is i don't know if if makita are magicians but i don't know how you could project how 30 years your capital expenditures you could project what your administrative costs will be and have it increased by x number dollars or x percentage each year going out but capital expenditures are one house so i don't think when mikita running them numbers at the 15.6 and 15.9 i think those weren't anticipated um anticipating capital improvements or capital projects i'm not sure i understand if you know you made reference you made reference to the to the 15.9 million um and the 16.2 the following year and i guess it would increase by whatever percentage going forward and i'm saying those numbers could not include capital expenditures i don't know that makita you know that they are magicians and could somehow somehow have a crystal ball that they could project what capital expenditures are going to be those numbers are for the ad go for um the administrative costs and that's what we that's what we're talking about now but and i'm saying what what they were doing is a cash flow analysis right because the whole point of the schedule was to show whether we're going to run out of cash or not that's where we had all those graphs that come

1:53:38 down and we're saying that those years when the funding note dropped from 158 to 80 something that we that's the whole whole discussion that we had some that we might have been we might have one out of cash in the middle years until all right so it's a cash is a cash discussion and when they're talking operating our capital it's we're talking cash so the question is whether we have the cash to to fund it not not whatever what and and and and and and the items that's there i mean i understand we have we have to do the v3 i mean we we acknowledge that when we're doing the 23 budget and What's the other one down there? The 2.3 million is for what?

1:54:47 Primarily capital costs that are required to bring the building into ADA compliance and to repair the part of the roof here at the GERS main complex in St. Thomas. That is the only part that has not yet been repaired and there are leaks which are undermining the integrity of the structure. Okay, I mean, I understand we need to do them, so I guess we're going to have to figure out a way to fund them.

1:55:28 Sorry, Mr. Chair, if I may remind that we are, in fact, renewing our request to the legislature in our presentation next week for consideration of subsidizing the administrative expenses as had been done in the past, with full recognition of the concern that Trustee Bowery is raising. Correct. Okay. So I mean to address your concerns, I get exactly where you're coming from.

1:56:05 going to have subsequent discussions to figure out other ways to fund the capital portion of the what you're looking at on the screen with you know with respect to the v3 and the um facilities improvements repair okay so and i appreciate you keeping on your omb director hat and for the record he was my professor of finance at uvi so he taught me well okay okay so can we get a motion to adopt the management proposed budget for fiscal year 2024 for the grs to move move by trustee smith can i get a second second seconded by trustee dorsey can have a roll call please mr dawson yes mr chairman trustee barry yes trustee barry yes trustee dorsey trustee dorsey you frozen um yes trustee dorsey yes Trustee Liger, absent, excused.

1:57:35 Trustee Russell, absent, excused. Trustee Smith? Yes. Trustee Smith, yes. Trustee Caldwell? Yes. Trustee Caldwell, yes. Mr. Chairman, four yes. Two absent. All right, so the motion carries. Okay, I made a motion to adopt the Management proposed budget for fiscal year 2024 for the Havenside Mount.

1:58:11 Can I get a motion, please? So moved. Moved by Trustee Smith. Can I get a second, please? I'm trying to find that one. On page 116. Page 116. six yeah that's um exhibit ha yes yes okay yeah can i get a second second moved by trustee smith seconded by trustee barry can i have a roll call please mr dawson yes sir trustee barry yes trustee barry yes trustee dorsey Trustee Dorsey, frozen.

1:59:06 Will we allow Trustee Dorsey a moment to get back in? Trustee Liger, absent, excused. Trustee Russell, absent, excused. Trustee Smith? Yes. Trustee Smith, yes. Trustee Dorsey? I think we're having some broadband issues with Trustee Dorsey. Trustee Colwood? trustee call one yes in person yes we'll wait for trustee dorsey i think he's trying to respond hello hello yes dorsey hello yes rusty dorsey the motion is yes what was the motion the motion is to accept the management proposed Haven Site Mall budget for 2024.

2:00:02 Moved by Trustee Smith, seconded by Trustee Borey. Do we count this as not voting? Can somebody get him on the phone? Hello? Yes, Trustee Dorsey, we can hear you.

2:00:33 Yeah, I was saying yes to the management. Oh, so Trustee Dorsey, yes. Opposal. Mr. Chair, four-yay to absent. Thank you. The motion carries. Chair, I will make a motion to adjourn. Motion to adjourn move by Trustee Smith. Can I get a second? second second what was the motion to john yes yes trustee barry yes trustee dorsey yes trustee liger absent trustee russell absent trustee smith yes trustee smith yes trustee callwood yes mr cup trustee mr chairman for you too absent thank you mr dawson This regular board meeting of the Board of Trustees of the Government Employees Retirement System of the Virgin Islands for Thursday, August 24, 2023, is held by John. Thank you very much, ladies and gentlemen.

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.

23x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

22x **Trustee Leona E. Smith**
heard in this transcript as: Smith

8x **Trustee Ronald Russell**
heard in this transcript as: Russell

8x **Trustee Vincent Liger**
heard in this transcript as: Liger

3x **Senator Alma Francis-Heyliger**
heard in this transcript as: Alma Francis Heiliger, Francis Heiliger

3x **Senator Kenneth L. Gittens**
heard in this transcript as: Gittins

Bills and acts referred to

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

Referred to but not found in our acts corpus: Bill 35-0048