GERS BOT Monthly Board Meeting

GERS Retirement System (Board of Trustees)

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0:00:00 Trustee Garwood. Present. Trustee Diana Clendenin. Present. Trustee Dorsey. Present. Trustee Liger, absent. Trustee McDonnell, absent. Trustee Russell. Present. trustee smith present chairman barry present six present two absent okay um so we have a call um next item on agenda is uh comments and suggestions from retirees do we have any um comments and suggestions from retirees Mr. Moses.

0:01:12 Okay, there's a significant amount of retirees on the line, but I'm not sure. I think some of them are having some audio issues, but I can see from the participant list that there's significant amount of retirees. okay i i know i received a communication from from a retiree i think these indicated that they wanted to make a proposal and i suggested to them that they introduce the issue to the board at this particular point in time in the board meeting and and they indicated that they would be here so i don't know um attorney russell you have any insights into that yes um and good morning to everybody um i think gruff um is interested in making a presentation to the board so um i think that is um randolph thomas uh and he is the person representing growth so i will default

0:03:11 okay so could we move on and maybe come back to that issue any objection to uh mr thomas he appears in line i don't know if he's yes i am i am online um i i'm i'm absorbing i've been i've been here waiting a minute uh in in your meeting room i think miss helen hart is also here Ms. Hart, who is the president of the GRUF organization, would probably would like to say a few things before I do, if you will allow.

0:03:58 Good morning. Good morning. Good morning, members of GRS board. I'm Helen Hart. i'm the president of graph government retirees united for fairness and this morning we come before you to make a presentation um from graph and we made a similar presentation about two years ago asking for graph support and and this venture uh the time we didn't get the support so we are back again trying to um do the same thing so we are here today to make a presentation because nothing has changed as we all know uh with the system it's just as bad or worse than it was two years ago so this morning randolph thomas who is a board member of graph would like to make a presentation on behalf of graph good good morning good morning gentlemen uh greetings um uh i'm randolph thomas i wanna i wanna thank you uh for uh gentlemen and ladies good morning for point of information chair point information chair yes point of information um what is the protocol for proposals that come in front of the board um are they supposed to be presented prior to so that we can review the documents prior to so yeah we have we have a we have a slot on the agenda to comment some so if i may if i if i may if i may clarify mr dorsey's question this is not the proposal we are introducing uh the idea to the board members uh to give us the opportunity to present a proposal and so we this is a preliminary uh introduction of of the issue uh and we we want to request the the chairman and the board to give us the opportunity to come before your fiscal uh subcommittee to to make a proposal uh for the support of the board uh and so um please please

0:06:15 forgive us for for that misstatement that that that we are presenting a proposal right now so i'm a retiree and uh you know i really want to talk uh give you my appreciation and express my appreciation to you for your willingness to serve because like these are frightful times you know my grandmother used to like to talk about the story of Esther about how Esther stood up in frightful times to save the people of Israel and to me I really don't know what i would be able to do if uh we we have a significant because of that uh the group is proposing um is that possible muted no yes there are thank you so the the prop the graph is coming before the grs board to request financial support for an initiative that we see as the only game in town for perhaps uh saving the grs from uh financial collapse and we are asking uh your acquiescence to allow us to make a proposal before your fundraising committee. The proposal involved going after some significant sums of money that we believe that is owes to the the government of the Virgin Islands via the gasoline excise

0:08:05 And, you know, we thought very long and hard and put in a lot of work to put together a budget that we believe is rational, is efficient. uh we we know that the the the concern of the board and the concern of the gr is a fiscal one and and and we want you to to to be serious about your fiduciary responsibility and so we don't take our requests lightly and so uh through through this based on my request i'm i'm requesting to the chairman of the board and um and the members of the board that we the graph and and the special subcommittee uh uh be given an opportunity to make a presentation of this initiative uh uh requesting funding from the from the grs board uh for this initiative and if there are any questions i'd be willing to um to respond to them uh otherwise than than that i i shall forward an email to the t i don't know exactly what your protocol is but i would forward forward an email to your your chairperson uh uh and and begin communication about scheduling uh such a proposal point information chair yes i do have two quick questions i don't have a copy of the first document that mr thomas is referencing so i'd like a copy of that i'm not sure what committee you're going to put this in but mr thomas just for the record how much money are you asking for it's it's only sixty thousand dollars and the six thousand dollars it is every item is uh is laid out in an excel excel sheet uh uh uh so so the the fiscal committee and the board but you know we'll be would have a really transparent uh process and and be able to see

0:10:17 what the commitment i would be making i would i would just like to see what it is uh it's obviously not a big ticket item not sure what happened last time it didn't go through but the sooner i can get something to review then um i guess the chair will put it in committee and we go from there but i don't have a problem i just need to see what it is i certainly appreciate your comment mr mr dorsey uh you know i i honestly believe it is a very rational logical and must done action and i appreciate your preliminary uh uh uh comment of of support uh after reviewing the documents and those documents like i said would be would be forwarded summarily uh uh with communication with the uh the chairperson of the board so go ahead can you get those documents to us before the end of the day yeah yeah yeah because it was kind of proven yeah mr thomas oh certainly certainly well this is a communication to the board chair yes it is okay thanks again mr thomas thank you mr darcy mm-hmm so if there are no other questions um i'm gonna oh see there was yeah yeah somebody need to mute there that might be okay so um thank you very much mr thomas i will i'll be expecting the communication from you and we'll take it from there thank you very much uh good day uh have a be safe and be well thank you thank you any other any other comments any other comments and suggestions from active members okay um secretary's minutes point point information chair

0:12:25 yes hello yes yeah there are still people trying to i guess get into the system so will they be allowed to come with their questions later on during the course of the meeting no um no we take it to the next meeting okay um all right thank you uh mr chair you are looking for a motion to approve the secretary's minute yes okay so i make a motion to approve the secretary minutes It's regular at 5-27-21, May 27th, 2021.

0:13:17 We have a motion. We have a second. Second. Move now. Second. Second. Move now. Seconded. Move now. Seconded. Or call. Trustee Calwood. Yes. Trustee Dorsey. Yes. Trustee Liger, absent. trustee mcdonald absent trustee russell abstin trustee smith yes chairman barry yes boy yes two absent one abstain um um the first piece of correspondence is uh from uh committee on finance it's in regards to an occurrence on um thursday june 24th in saint cloy chamber of the city of the city of the city and the city of the city of the city of the city of the city of the city of the city of the city of It's in regards to an appearance on Thursday, June 24th in St. Croix Chambers. It's actually gonna be done by Zoom. It's in regards to a bill that is sponsored by Senator DeGraff.

0:14:41 Bill number 340067, an act amending title 33 sub chapter L part one chapter three of the VI code to increase their hotel room tax by 2.5%. and we made 5% of all the money is collected to the government, to the Virgin Islands. Our response was due yesterday. However, I held off and asked for delay so that the board can, I'd send a copy to the board so the board can weigh in on this. A copy of my, a draft response is part of the meeting in the regular session.

0:15:22 so i'll leave it there and wait for some comments from the board on a piece of correspondence was dated june 7 2021 to the attorney general denise george it's in regards to uh notice to quit in regards to delinquency in the um electrical bills and the rents and this was a demand for payment um so she has been advised of the amount of the overage and demand for payment that ends communications all right all right any any questions on the board any comments all right so the next item is a chairperson's report um i'd like to use the opportunity to uh officially welcome our new board member um tony russell um without question the board would benefit from his well-known legal talents and more importantly his his commitment to public service and his whole career as I know it has been one of public service I want to thank him for stepping up to the plate as most of you know his election came on the third try after they had difficulty filling that slot on St. Coy and so I just want to thank you and congratulate him um in the spirit of of openness i just like to let him know that when i told my son i was getting on the board and especially when he's becoming

0:17:19 chairman he wished me condolences so thank you um i'm sure that won't scare you away but just in the interest of transparency. Thank you. The other comment I'd like to make is that I read in today's media, I was encouraged to hear the governor is willing to secure bond financing to help the GRS funding. I find that to be particularly welcome news, particularly after the letdown I had when I saw that the 2020 budget had 10 million dollars for 2023. We all know we pay out about 11 million dollars every two every two weeks so I was heartened to see or to hear the governor's willingness to issue bonds by the PFA. Of course, they still need to see the words turn into action. That's a hopeful sign. hopefully it's understood that that's just one piece of a bigger financing package that has to be put together if you are to sustainably refund or refinance the grs unfunded liability so that's that constitutes my my report

0:19:07 um for the next item is the administrator's report good morning again uh on may 25th i attended a presentation by a marketing consultant at havenside mall oversight committee on may 26 i attended a community business forum part three presented by the office of the governor on june 4th i attended municipal finance presentation hosted by the vi public finance authority and the governor and his financial team on june 9th i conducted one-on-one meetings with haven site mall tenants on june 10th i did a site inspection with the owner representative for the newly directed metal buildings and the fencing and gates of the haven site mall on june 11th last friday i attended a usvi hotel and tourism association annual general meeting even side mall is a new member governor albert bryan was the guest speaker maybe mr chairman he listened maybe he listened to me because after the meeting i spoke to him about doing a pob so hopefully he would hopefully he would take your advice also So as far as retirement applications, there are 118 applications that are still outstanding.

0:20:41 Those are for 2079 for 2021 and 34 for 2020, those are the majority of the applications they are outstanding. couple that goes back prior to 2020 uh so we are doing pretty well um in 2021 we have um out of the 97 we have processed 18 already and this includes the central government and the semi-autonomous agencies disability certificates um there were 28 pending cases we received um um 15 so 15 uh retirees were reinstated on the payroll for june 15 and 13 life certificates are still outstanding as far as refunds from october through may we have paid out 4.4 million dollars in refunds the majority of those refunds are for the regular um refunds which is for me just about 4.4 million dollars that benefits we have paid out 1 million 477 401 29 cents uh majority of those that benefits sorry to say but um are for active members as far as the annuity payments are concerned so far for the fiscal year through june 15 2021 we have paid out 161 million 3 269.56 um number of retirees as of june 15 payroll eight thousand six hundred and ninety eight number of retirees added to the payroll for the fiscal year through june 15 237 the number of retirees that were deleted from the payroll through the same period 238 the grocery side retiree payroll for june 15th was 10.8 million

0:22:54 dollars active employees through may 2021 8 792. as far as our member loans portfolio still have uh in um inventory 2444 units um total outstanding on our payroll uh portfolio 28.2 million dollars the majority of the loans of standards obviously are for active members which is 1573 a total of 2358 we do have 86 more it is still outstanding as far as our facility management uh the sanctuary office complex no major projects um all projects have been completed no major issues to be reported since thomas um we did receive the water pumps and the annual maintenance and filters installation were completed generator annual service completed for the hurricane season um hip roof replacement a pre-bid conference was held on june 8th this is the second portion of the roof first portion was completed there were three potential bidders by the time that's air conditioning project hopefully to come be completed very shortly um by the end of august 2021 we started also another project with a drywall project removal of the old water damaged drywall at the northern part of the third floor um anticipated completion is by july 16 2021. appraisals completed for the st thomas and the st croix prompets i think that was being said those uh appraisals were

0:24:51 circulated to the board or a report was given last month um as far as our collections we have For the month of May, we collected $82,222.69, $56,807.92 worth for rental. The difference was for the electrical. Total fiscal year to date, we have collected $908,648.75, $507,216.32 rental portion. the outrageous as of today or as of the end of may two thousand two hundred and one thousand fifty five thousand forty four cents rental portion one hundred and twelve thousand six hundred and seventy seven dollars and seventy two cents as i indicated in the correspondences and notice demanded payment notice to quit was submitted to the division of uh justice um the only issues with uh leases i i think is with um department of justice that's a problem there we um the update is the um notice to vacated premises was sent to them for 257k uh in back rent and and electricity. To date, we haven't received those funds as yet. The Casino Control Commission update, Executive Director Marvin Pittman has advised that the finalization of the lease is under consideration. And we respond in a few weeks. Those are the only major issues we have with leases.

0:26:35 Division of Personnel, that lease is awaiting transmission to DOJ. and the governor for signature the strategic uh planning and organization development um there's a meeting that's supposed to be held um very shortly with the governor i think it's next week right and then the week after next um in regards to their input the financial team input in regards to the strategic planning organization development our strategic plan um one retreat the board retreat is scheduled for july 7th 8th and 9th it's going to be by zoom as last year because of the issues with the pandemic the tentative agenda for day one investment advisors makita seagull the actuaries the auditor port smith and company for day two governance and ethics by outside attorney one of our litigation attorneys strategic plan presentation by uvi may be pending legislation and update on legislative subcommittee issues and senior management presentations day three continuation with senior management presentations and the final day wrap up and action items i would like to again request to the board that if they have items that they want to discuss in the agenda agenda any items other than what are being suggested we don't really have to present senior management because the presentation is going to just going to give you what's happening within the units of the divisions any problems

0:28:27 we're having any accomplishments i mean i would rather see maybe some issues that the board have burning issues that they would like to have on the board retreat that's what a retreat is for to you know to sit back and reflect and come up with ideas and suggestions let us know we can make some shifts in the agenda so i always do that to the board so that they will know it's not what i want it's what the board would like to have at the retreat so i'm just letting you just let us know we can wait on the agenda for you for discussion uh the new trustee orientation our new trustee of city's attorney russell um we do given a rotation we are going to be checked contacting you senator russell um shortly in regards to a couple days that you might be able to be available usually it's about two hours a day for two days um maybe we can do it in one day for you and give you an update of an orientation of what the grs is all about governance ethics you know and a lot of different things so someone will be contacting you shortly to see if we can and probably get it in before the board retreat.

0:29:46 Okay? That ends my communications. I mean, my report. Thank you. Any questions? Yeah, I have- Final information, Chair. Yes. Hello? Yes, Mr. Dawson. i had i had informed you chair that um how do we how do we establish the dates of the uh retreat because i was explaining i had a conflict and on this 8th and the 9th so i was asking you if the dates could have been changed because it just came about no i uh mr nipsy what i anything you just when you say just came about mr chairman um this was something over the years it's always the first full week in july okay well no he answered the question that's fine if that's if that's the policy then that's what it is thank you all right um i had a couple of questions comments on your report mr nails the first one has to do with the the the appraisal of assets and my question to you is whether those opposed those appraisals are going to increase or decrease or leave alone asset values on on our financial statements on our books

0:31:38 well it would in what we're doing it would increase i mean when we get to 2021 financial we haven't completed 2020 as yet um but there was a slight increase but i guess in 2020 financial they'll do a you know subsequent event but but I think it would only be reflected on 2021 since the actual appraisals were done in year 2021. Yeah, so any idea in the ballpark how much the increase is?

0:32:15 I would say about 1.5 million, it's not that much. I may be overstating it, but I know there was a slight increase with the facility here in St. Thomas. um St. Croix I don't think that was that much increased because there were not that much um um I think I think it's I think it's closer to a million Mr. Nibbs a million yeah something like that a million dollars okay thank you thank you um and I'd like to take the opportunity to to to ask board members to submit to Mr. Nibs, any thoughts, any ideas about strategic issues? This is a retreat and the whole purpose of a retreat is to deal with strategic issues, not necessarily operational or processing, but strategic issues dealing with the strategic direction the of the of the of the of the grs so i'd like to encourage um submission of of ideas or issues that um we'd like to see addressed in the retreat um there's no no other questions we move along mr nibs next item is taking back to my agenda here the treasurer's report or the committee reports any committee reports i'm assuming that that's that's not sorry treasurer's report

0:34:12 uh mr uh chairman miss jerry meyer is not here today she couldn't get through and um so i'll do the treasury report okay this reported schedule of receipts and disbursements for the month ending May 31, 2021. For the month of May, loan repayment, $1,165,097. Fiscal year to date, $9,545,776. For the month of May, rents from tenants and utilities, $51,580. Fiscal year to date, $812,745.

0:34:56 dollars. Employee retirement contributions for the month of May, $7,770,251. Fiscal year to date, $63,527,396. Employee retirement contributions, month of May, $4,187,949. Fiscal year to date, $32,682,512. Parking facilities month of May $660. Fiscal year to date $7,160.

0:35:37 Miscellaneous month of May $040,686. Fiscal year to date $5,485,240. Collections. Total collections for the month of May, $13,516,223,000. Fiscal year-to-date, $112,060,829. Disbursement, annuity payments, month of May, $22,674,122.

0:36:13 Fiscal year to date, $175,827,087. Administrator's expenses, month of May, $1,142,459. Fiscal year to date, $9,780,436. Personal loans, month of May, $15,314. Fiscal year to date, $145,371. Mortgage loans, month of May, $12,718. Fiscal year to date, $111,464. Retiree loans, month of May, $1,612. Fiscal year-to-date, $6,413. No auto loans. Refund of contributions, $877,710,000, month of May. Fiscal year-to-date, $6,024,288,000. dollars, $288. Total disbursements for the month of May, $24,723,935. Fiscal year to date, $191,895,059.

0:37:44 Net deficit, the month of May, $11,207,712. Fiscal year to date, net deficit, $79,834,230. We may add that for the month of May 2021, GRS collected $13,513,516,223, $516,223, which is 55% of the $24,723,935 needed for expenses. This generated a shortfall within the month of 45% or $11,207,712. Year-to-date collection was approximately 7% or $8,282,502 less than the same period in fiscal year 2020. Year-to-date expenditure was reduced by approximately 1% or $1,229,694 over the same period of fiscal year 2020.

0:38:59 Year-to-date administrative expenditure was approximately 59 percent of budget due to the year to date shortfall of 79 million eight hundred and thirty four thousand two hundred and thirty dollars grs withdrew from its portfolio 74 million from the investment portfolio to supplement the inflow of cash and ensure that obligations of the agencies were met any questions on the schedule of receipts and disbursements for the month of may i don't know questions i guess i guess the the the the cash deficit situation continues it's um it's actually worse than the same period last year so which is which is which is what we've been explaining over and over again so then no surprises there um and any questions from any other board members okay uh mr chairman for the haven site mall i would have miss labank the accountant Okay. Ms. Labar?

0:40:22 Good morning. Good morning, everyone. Good morning. Good morning. Good morning. I apologize for that delay. There is a report on Heavenside Mall income and expenses for the month of May. The total rents for the month of May received is $119,519. Fiscal year to date $1,215,507. Miscellaneous income for the month of May, nothing. Fiscal year to date $428,120.

0:41:12 dollars total collections for the month of may is a hundred and nineteen thousand five hundred and nineteen dollars fiscal year to date one million six hundred and forty three thousand six hundred and twenty seven dollars disbursements for the month of may personnel services seventy eight thousand ninety two dollars fiscal year to date seven hundred and sixteen thousand three hundred and three dollars for fringe benefits for the month of may forty one thousand one hundred and ninety eight dollars fiscal year to date two hundred and ninety six thousand seven hundred and seventeen dollars for supplies the month of may nine thousand two hundred and twelve dollars fiscal year to date seventy thousand one hundred and seventy nine dollars all the services and charges for the month of may seven hundred so sorry seven thousand six hundred and eighty one dollars fiscal year to date seventy five thousand seven hundred and eighty four dollars for utilities for the month of may eight hundred and eleven dollars fiscal year today thirty thousand five hundred and ninety one dollars capital project for the month of may two hundred and thirteen thousand nine hundred and fifty six dollars a fiscal year to date one million four hundred and seventy nine dollars four hundred seventy nine thousand three hundred and sixty $7. Total disbursements for the month of May, $350,949. Fiscal year to date, $2,668,942. dollars net deficit for the month of may two hundred and thirty one thousand four hundred and thirty dollars fiscal year to date one million twenty five thousand three hundred and fourteen

0:43:13 dollars we like to add that for the month of may 2021 heavenside mall collected thirty four percent of what is needed to cover expenses totaled into three hundred and fifty thousand nine hundred and forty nine dollars of which two hundred and thirteen thousand nine hundred and fifty six dollars was capital ugly the year-to-date collections for havenside mall is one million six hundred and forty thousand six hundred and twenty seven dollars of which approximately 76 percent that totals to 76 percent of last year's collections of two million one hundred and fifty two dollars four hundred and forty one one two million one hundred and fifty two thousand 441 sorry the year-to-date expenditure for heavenside mall is two million six hundred and sixty eight thousand nine hundred forty dollars which is approximately 51 percent of the budgeted amount for the fiscal year this ends the report for heavenside mall are there any questions what what what was the last comment you said year-to-date expenditure two million six hundred and sixty eight thousand nine hundred and forty two dollars okay so we we are pretty we uh kind of well i guess we are we are two thirds into the fiscal year we are 51 of the budget what about what about how how is it how is the collection compared to what what we have budgeted the collections is less because because of the pandemic we have not collected that much um rents from our tenants as compared to other years and what was budgeted previously

0:45:31 okay i i just like to see that the same the same calculation you did for the for the expenditure down below we show that it's 51 of the of the budget i'd like to see the same calculation for the collections yeah um mr chairman i think uh she has it because i've seen it i think usually we would collect within a month over six hundred thousand dollars a month so obviously there's a deficit of over five million dollars right the ideal regular collections would have been about six hundred and twenty something thousand a month yeah i'm not i'm not i'm not asking about the regular idea we're talking about what we budgeted because when when we budgeted we we didn't budget at the regular ideal right well i guess i'll have to go back then to my schedules that i presented okay any other Any other questions? Board members?

0:46:38 Okay. Hearing none, investment officers report. Good morning, Mr. Chair, other trustees. Today I'll be giving you an update of the investment portfolio and activity as of March 31st, 2021. Mr. Chairman, we have to accept, there is a motion to accept the treasurer's report. I'm sorry, may I have a motion, please?

0:47:19 I have a motion to accept the treasurer's report. Mr. Chair, I move to accept the treasurer's report. Second. Move on second, then. One call. Trustee Calvert? Yes. Trustee Dorsey? Yes. Trustee Deweger is absent. Trustee McDonald? Absent. Trustee Russell? Abstain. Abstain. Trustee Smith?

0:47:49 Yes. Chairman Bowery? Yes. Yes, two absent, one absent. Okay, so the Treasurer's report is accepted. Carry on, Mr. Investment Officer. Thank you, Mr. Chairman. So for the month ending March 31st, 2021, total plan returned 0.8%. Our total fixed income portfolio returned 0.2%, a slightly underperformance benchmark, which is the Barclay Ag, by about 10 basis points. Our total alternatives returned 4% and outperformed their benchmark by about 310 basis points. That outperformance was based on distributions that we received from our measure of Fund 4 and Fund 5.

0:48:42 Pew Capital returned 0.4%. They slightly outperformed their benchmark by three basis points. And our U.S. Debt Index Fund returned approximately 0.3% for the month. Year-to-date total plan, we're slightly down, negative 0.2%. For the one year, we're up roughly about 4.8%. I don't have the physical year number here, but I think we're up about 2% physical year to date. And the all-important since inception number, we've been steadily at that 8.6% annualized return from since inception of the plan. We move on to the NAV report.

0:49:29 For the month ending May 31st, we ended the month at approximately $460 million. Bear in mind, I know Nikita has been reporting for the past couple of months. Our internal reports take into consideration our local assets, excluding our member loan portfolio and also the office complexes. So you might, you'll see a slight difference between what Mikita reported and what, what we internally reported, reporting.

0:50:03 There was no funds raised from any of the managers in the month of May. So we began the month of May at approximately $471 million at market value. We had a net cash flow of about 15 million. We had income of about $288,000. We had a gain in the portfolio of $3.6 million, which brought us to that ending market value of $460 million.

0:50:40 As it pertains to investment management, custodian, and consulting fees for the month, month to date, we've paid $15,000. That was for custodial bank fees. year to date we've paid $134,000 88,000 of that was for investment management 31,000 for the investment consulting and 15,000 for the custodian bank services fiscal year to date we've paid $239,000 investment management made up 176,000 of that Investment Consulting Services, 31,000.

0:51:18 And the Custodian Bank Services was 32,000. Just a brief update on our Securities Lending because we still actually participate in a Securities Lending Program. Month to date, we collected $1,500. Year to date, we've collected 5,000. And fiscal year to date, we've collected $6,000. And I always like to take a note at the Ness Active Value Overtime bar chart. if the trustees can see we've steadily been declining from may 2012 at approximately almost a billion dollars we are now at that 460 plus slightly plus million uh in the in the plan so i i i like to call it the the state of decline because we've as you can see we've steadily been been declining over the years. We continue to lose assets to pay benefits and expenses. Mr. Chair, that concludes my report for the day. If any questions, I'll be glad to answer. I have a question going back to your step chat. So that's for May of 2012?

0:52:31 Yes, this is from May of 2012 to May of 2001. 2021 i'm sorry okay so that's that's what nine years correct so we run from almost a billion to to to what was that 460 million if you add if you add the values of the member loans and the office billions we're probably a little closer to 480 490 million okay but uh mr chairman i would like to add that if you wanted to reconcile with mikita then right now as far as liquid we built 385.6 million last month they were they reported 409 million so if you want to reconcile with mikita mikita does not include the havenside mall and in in their um any of the local investments in their arm right so really we should if we're looking at if we continue with mikita's trend of reporting we should be down to about 385.6 liquid okay point well taken um any questions yeah i have a question chair go ahead uh mr henderson with the decline over that period um from may 12th to present who's to blame who's to blame um

0:54:17 well i think it's it's it's pretty much you know clear i mean it's been debated it's been i mean we've been for years going over it the lack of funding to the plan has just exacerbated the situation in terms of we have to act we have to always go into the portfolio to withdrawal um assets to pay benefits and expenses shortfall and that's that's basically that's the lack of funding the lack of proper contribution funding for the most part so what is the other part uh i would say i would say lack of funding is the main driver okay under funding is the main driver because as you could if you look back on the performance report i mean we've we have i mean over annualized basis from inception of the fund we've averaged 8.6% return. And we've done it with a plan that's been pretty much constrained for the most part in that time period to just plain vanilla equity and bans. So at that 8.6% from inception, we've done a pretty good job as a plan and the board has done a pretty good job in terms of hiring investment managers and keeping their foot to the fire and what they need to do so performance it's definitely in my view it's not an issue in terms of the shortfall and the the debacle that the plan is now seeing itself in I appreciate your answer thank you you're welcome any other questions

0:56:10 um we need to accept that report also mr names no mr chairman okay okay so we're into a regular session new business and the first item on the agenda is the discussion of bill number 340067 uh mr chairman trustees um as i indicated in my communications this was an invite from the committee on finance for the june 24th and it's a bill that's sponsored by senator degraf and he wants to increase the hotel room tax by 255 percent and we made five percent of all monies collected today grs and for other purposes i don't know what other purposes means um so i um i draft a short response um and i submitted it the for review before i submitted to the legislature i would like to do that today because i'm i'm i'm late two days late and submitted it i have asked for a delay so that i can determine the board needs to do any input into the the presentation it starts out as well i shouldn't i well there are three four questions that are asked and um support or opposition to the legislation my response was the grs is in

0:57:58 support of any legislation that will generate dedicated revenues for the fund number two advantages or disadvantages to passing the bill my response the advantage to the grs by passing the bill would be additional revenues dedicated to made benefit payments to the retirees three economic impact economic analysis of the proposed legislation my response Based on our review and the analysis presented on the website of the Internal Revenue Bureau of Revenue Collections, for hotel tax, $19.8 million were collected for the eight months in fiscal year 2021, $17.7 million in fiscal year 2020, and $20.5 million in fiscal year 2019.

0:58:44 It appears that the hotel room tax collected in fiscal year 2021 will surpass the $20.4 million collected in 2019 using fiscal year 2019 as a baseline with a 2.5 percent increase in the tax and 5 percent allocation to the GRS we estimated over 1 million dollars would be a mark annually for the GRS. Number four recommendation to the bill in conclusion Mr. Chairman the GRS supports proposed legislation for the reasons stated about now i when i attended the um annual meeting of the hotel association on last friday the governor did mention this in his presentation and obviously you're talking to the hotelers and obviously they are in opposition to it um the governor is also And so I heard it on the radio, I heard the replay. He's in opposition also today to the bill. So if there are any input, please let me know to how I responded because I'd like to get this out later today.

0:59:58 Question, Chair? Go ahead. In the future, can we just have the bill sponsor come and speak to the board prior to? Is that a possibility? You need to, you need to speak to the bill sponsor. Now I'm asking in the future, in terms of protocol, can we have the bill sponsor come to our meeting so that we can speak at this point? You need to address that to the bill sponsor. Now I was asking the system to make the request, not me ask the bill sponsor, because I'm finding out about the bill as I'm here now. I'm asking in the future, when proposals are coming to the GERS, can we at least have a platform here? That's all I was asking.

1:00:47 I'm not sure where we're going with this. I mean, this is a proposal from a senator and he invited us to comment on it. He wasn't asking us permission to introduce it. We have an opportunity to comment on it. We don't have an opportunity because the senator is not here who's proposing it. I was asking if they can come to this platform. Is that a problem to request through the system that they come to this platform? I'm not going to request it.

1:01:21 I mean, he has a hearing. You could attend the hearing and put your input in. legal counsel uh mr williams am i saying something that's out of character i just trying to understand what the chair is saying well good morning i i thought the chair was clear um that he's not gonna make the request to the bill sponsor to appear at the grs board meeting um i'm not sure what what else you wanted from that no i was just saying that there'd be other proposals uh in the future it seems like when the senate asks us to appear we appear but i'm asking why we can't have it the other way have him come here and let's have a dialogue unless there's something else going on with the chair i don't know mr chairman in the past before the centers especially senator um the graph because we have worked with him closely and kathy smith can interject he usually comes and he calls us sometimes he comes down and have a meeting with us before so i mean if the chair if the senator wants to do that he can come before he can call us and he can come before he even submits the bill but i think the chair has already said something different but what i'm saying is that it usually he usually starts before he submits the bill he would ask for meeting with us and he would come and he would sit down and talk about it and sometimes we'll say well you know it's it's not really it's not it's not going to impact the deficit that much or whatever we've

1:03:11 made place our comments then he will go he may not submit it or he may submit and then we we we said the same thing that we told him i mean i mean there are the board members there's a difference between senator getting putting together a bill and asking for your input And what I understand he's asking is that we have him come to me for a board for president. I mean, you know. I support the bill, as you said, Mr. Nibs. It's revenue coming in, but I'm going to leave it at that at this point.

1:03:50 Thanks again. I do think the Senator would call us and ask us before he submits this proposal. That's all I'm saying. Mr. Chair, go ahead, go ahead, go ahead, member of us. Yes, okay. First of all, I want to thank the members for accepting me as part of this esteemed board. And second of all, I was really pleased to have an oath of office because the fiduciary duty is a serious responsibility. I have subjections for the solvency of the GRS. As a matter of fact, this legislation touches on a portion of the suggestions that I have. I would ask that the board consider several solutions to solvency in the retreat and have an open forum with all board members to discuss the various suggestions that I have. And I have a letter going out to the chair and the board members with the suggestions, and i want to circulate that but is in line with this bill it's in line with this bill because um in the preamble of my letter i state why the government is absolutely responsible for funding the grs without um making a long presentation and preceding my letter let me say that i believe that um the taxing scheme provided by the government to all residents should be considered not only the hotel room tax my proposal has um at least 20 of the five major taxes collected from the government being dedicated for five years to the grs and i'll repeat them briefly the hotel room tax is one and i don't agree with increasing it i agree with taking 20 percent for the grs but not increasing it the gross to see taxes property taxes including some taxes

1:07:01 corporate taxes, and the gasoline tax paid at the pump. My suggestion would take 20% of these taxes and it could be done in this budget cycle. And we could approach the senators with providing at least $130 million and I calculated it because it's half of the payout which would be a significant dedicated contribution to grs and we could reach that half by taking a piece of each tax that the government collects and funding the grs i name five other taxes because i know these generate money like for example the gross receipt i understand it was a hundred over 160 million uh you take 20 percent of that that adds to the coffers of the grs and i want to discuss that and do the analysis because you need analysis to find out if you take 20 percent of the taxes that the government used to operate how would it affect the operation of the government and that analysis is not difficult okay because the numbers are available and during the budget cycle the senators can adjust the budget of each department to skim off what is necessary to pay grs but it i think it has to come from a concerted effort from the board of grs with all of the experts the input from mr barry from mr nibs from attorney williams kathy smith we need to sit down and come up with a taxing scheme

1:09:23 that includes ger at the inception so that the over five-year cycle ger s would become solvent based on the taxing scheme. And I'm going to submit that letter to you, Mr. Murray and Mr. Nibbs. I prepared it and I have it now. And so I would suggest that Mr. Nibbs just revise his letter, supporting it, because that's the consensus of maybe the board, but give the Finance Committee an introduction to that the board will discuss at a retreat a package that would solve the GRS in unfunded, not well, it won't solve the unfunded liability, but it would solve the immediate concern of the grs and then submit a full package before the budget is considered by the legislature have somebody come and go to testify and we as board members lobby for a package that we think could resolve this issue with grs and that's um i am going to send everybody a copy of it that is the first plan a plan b talks about having a dedicated funding from the ROM cover over and actually asking the Senate to renegotiate the Diageo and the Crujan ROM deal to get a portion of that money dedicated to GRS.

1:11:28 The ROM cover over is a large sum of money that could help GRS and we need to approach the senators in a way that they understand the gravity of the situation and that the wrong cover over is a funding source to help the last plan is plan c which i support the growth initiatives but to have these initiatives and plans discussed at the retreat and i'd ask mr nibs to open the door with the senators uh for further discussion based on a proposal that we could come together at our board retreat and submit to the legislature as a full package thank you mr chair okay thank you um i i'm i'm definitely in favor i mean i think uh when i mentioned earlier about hearing from board members about strategic things for the for the retreat um something like that is precisely what i had in mind that we and we put as a board we put together yes because i believe that um a lot a lot of centers get shocked when they see that when they hear the size of the numbers and i mean we could show if we could show a path to get them there are close to there that that would be very helpful um so um so go ahead and submit the proposal i mean in terms of the interaction in the legislature i i my thinking was to use the special committee and i'll yield to you as a former senator you you are aware there

1:13:33 there's a subcommittee of the finance committee that uh has been set up specifically to deal with GRS matters. And we had one one preliminary meeting there was another one scheduled that was preempted when the lime tree stuff was preempted by the center's willingness to with willingness to to deal with the lime tree situation that we all know about what's going on um so i'm awaiting for reschedule of that that um that that subcommittee um and i believe that that's the avenue yes we are to use to to make our presentations and president's friends absolutely and i'm aware of the committee and i once i applied to this board i i had a proposal ready to submit to the committee when the committee was formed but um i really believe the strength in numbers and if the board comes up with a plan and to present it to the subcommittee i think we're well on our way to get legislation that could really help the grs um i have my they're not radical but it's it's novel to um take a piece of the taxes and to uh you know to solve a problem that's been a wrong but i would love to be part of that meeting where uh that subcommittee is considering legislation or solutions that um would really

1:15:32 solve help solve the grs problem so i would like to be included in that meeting if necessary or if possible i don't know how the protocol the the senator set it up but i'd like to be part of that thank you the next the next session we are having um i'm going to request of the of the senator that um that as many board members as available would be able to attend i think um i i think the initial meeting was a kind of feeling out um meeting um and so obviously there's some there's a there's some there's some politics behind the scenes that that that always interplay as you know very well yes to send the letter now i have the the presentation to send to every board member and i could send it out email now so that uh once i get access to the email of our trustees members and the legal council i could send that letter out to them now with the proposals you know you can send it Mayor Mrakas- And so, the.

1:16:57 Mayor Mrakas-Accord. Mayor Mrakas- With. Mayor Mrakas- Yes, okay, thank you very much. Mayor Mrakas- yeah i'm Mr Chairman, then what i'll do is arrange to have that a spot of a board retreat so indeed, too. Mayor Mrakas- Which you know I would. um don't have any management only management presentations and then day two we'll have governance strategic planning and pending legislation update subcommittee and then we would look at the proposals for the rest of day two and also day three to come up with some um action items okay okay um i just want to do an update also mr chairman um before miss uh friend and gums kill me with this she wants to update that um excuse me mr chairman before mr niggs go on to something else just two comments i had um i thought if i was clear that um attorney russell would probably send his letter to miss coley and she could then disseminate it to everybody yeah yeah i mean okay yeah and and on the bill itself um just an observation there are a number of references in the bill to a director of the grs um mrs may want to point out to them that there's no such um title and it should be administrative of the grs yeah i didn't i didn't notice that yeah they make reference to it in two different places i believe in the bill okay all right thank you

1:18:43 um mr chairman i'd just like to update that um doj has paid their marriages came in this morning both both rent and all the rares all the rares case okay thank you council uh chairman to the council um what do you think about that council pedro williams the rares were paid with that letter well that that is that is the point of sending uh tenant a notice to quit is to get them to act so they've done that so the letter did its job so my question my question to you council should we have sent the same letter to the members at the haven site what's your opinion on that that's above my pay grade that's something for the trustees to decide to discuss and to decide but that i mean sending the notice to quit is a normal process um in terms of relationship between a landlord and a tenant when a tenant owes money um and the landlord isn't collecting then the next step in the legal process is to send a notice to quit thanks for that political answer i appreciate it okay um okay so the next are we done with this item next item on the agenda is um unfinished business and i think we specifically we're talking about the there was a proposed resolution in the last meeting that we didn't get to um for the board honoring and commending retiring trustees and there was some drafts

1:20:58 of of of the uh of the proposed letter of recommendation so i'm not sure are we asking for board approval to for the sender letter is that what this is about uh what are we um is this unfinished number one recommendations for honoring you're doing to yes that's i don't know that's a trustee issue yeah i i know i was asking i guess i was asking um attorney williams i mean is that something that the board needed to approve yes mr chairman somebody would have to make a motion to approve um the substance of resolution number nine that's 2021 and once it's approved we could make the edits to it there's a couple of things that need to be changed but the substance of it is what it's important that the board needs to approve okay all the board members had a copy right correct it was in the packet okay so do we get a motion to to approve i move to approve i move to approve our resolution 9-2021 second Okay.

1:22:28 Yes. Yes. Trustee Dorsey. Yes. Liger absent. Trustee McDonnell absent. Trustee Russell. Trustee Russell. Yes. I've seen. I've seen. Okay. Trustee Smith. Yes. I've seen. I've seen. Okay. Trustee Smith. trustee russell yes uh abstain i'm a abstain okay trustee smith yes yes thank you chairman barry yes oh yes two absents one upstate okay so the motion is carried so we will finalize those resolutions and send them on as as appropriate um the next item is is to ratify the approval on the haven site um committee's recommendation with respect to uh website mall committee recommendation with respect to the abatement of rent for the tenants and that was something that was circulated and we conducted a poll vote and got a majority vote so like to have that ratified um i move i move to have the Paul Volta Rutherford. Second. Okay, move on second then. Trustee Caldwell. Yes. Trustee Dorsey. Yes. Trustee Liger absent. Trustee McDonough absent. Trustee Russell. Abstain. trustee smith yes german barry yes four years two absent one abstain okay so that's that's done officially um so the next item on the agenda is um

1:24:43 for us to get into executive session so you know a motion to discuss personal and legal matters i move that we're going to executive session to discuss personal and legal matters second right i noticed on the page has Yes. Yes. That's that. But at least I know. I see. Absent. Josie Liger. Absent.

1:25:26 Josie Liger. Absent. Josie McDonald. Absent. Josie Russell. Yes. Yes. Justice Smith? Yes. Chairman Bari? Yes. Four years. Three absent. I'm here. I'm here. Hello.

1:26:06 So do you want to register your vote? Yes, I didn't hear it. It blanked out. Yes, yes. Okay. One, two. Five, yes, two absent. Okay. So we have a few minutes to... i'm not sure what technical comments to put the folks in what's the technical term we use for that um we're um the um mr the moses is going to disconnect everyone except the board and the board disconnect okay or you know put them in a waiting room so he'll advise us when that's done well unless you deem otherwise i'm i'm um you would let us know when you want us to come back but i would let him know to this put everyone in the waiting room except with exception of the board and the board chair okay you tell us when you want us to come in all right i i think i i want you to stay for for the items

1:27:59 I want you to stay. Okay, fine.

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.

6x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

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

4x **Trustee Leona E. Smith**
heard in this transcript as: Smith

4x **Trustee Vincent Liger**
heard in this transcript as: Liger

2x **Senator Dwayne DeGraff**
heard in this transcript as: DeGraff

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 34-0067