Government Employees' Retirement System Monthly Board Meeting

GERS Retirement System (Board of Trustees)

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0:00:00 It starts out in this bill not giving any requirements, education, or diplomas, or anything, or experience, to the two retirees, one from each island, if I understand the wording and the way it's written. It's written pretty much the same. Almost the same. I was trying to find a difference. Yeah. It's pretty much the same.

0:00:27 Yeah, it still has the same one. I think the only thing they added, the original, so that was changed a long time ago with Dr. Cohen, because retirees are now required to have the educational component. The original retirees didn't, but I don't remember what year it was, but before I came on, that's how Dr. calendar. I think it's 2009 or 2005 or 2009. Yeah so basically that required education requirement is already in the amended law. Yes. So this bill isn't adding that that's already been there. The only thing after that number 11 by deleting. They did take out the requirement that at least one shall be one member shall be an active member of the GRS. Yeah, that's what they're requiring. Thank you. I have a question. Does the number of members remain the same? Yes. So basically what this bill is is trying to get what MAP wanted. Vote control but it takes out the active member representation which is not fair it's not right okay the amended excuse me was 2005. no this one yeah 2005 was the first time that they put in requirements for the board members i i don't see it but i bet there's some trick involved in this in this field

0:02:18 well even though kathy you're suggesting that they took on the active member requirement and i agree with you but the way this is worded the remaining three members one could read that to say they could all be private sector individuals that's the way that's what i'm saying so you could end up with no real active employee representation that's what i was saying yeah that took out that requirement and i think that's the reason why they included raising capital and capital markets because that was his request that he brings in that they bring in nothing but the industry personnel as board members for the system so regardless so the fact that you no longer will have active member representation it'll all be financial representation appointed by because that would only leave two elected official two elected the retirees will be the only elected everybody else will basically be to be designated trustees.

0:03:28 So that's how it is. You only have the retiree trustees elected. Then the governor gets to technically a .5, even though due to a vote on CLC recommendation. I think my question is that the board going to submit some type of the writing in regards to this? Because any board has a representation of its members that I've seen, you know, and I think the Central Labor Council membership, we make sure that there's some type of active representation of membership on the board. Yeah, but and the thing is, none of us have, I don't think anybody has received it. No, no, no, I'm just saying maybe this is what we, if we want to get involved and be a part of it. They haven't asked us to comment on the bill. And when is this supposed to be sent to the floor?

0:04:31 I don't know. It was sent to me by, I always have a connection in the legislature. It was sent to me by someone in the legislature to be aware that this is coming down. I can check and find out if it's up for a committee meeting. but I mean I think I think there should be at least one member active member because even though you have the two Union Central Labor Council representatives they represent the unions and you don't have anybody else from the non-union active members representing them and there should be somebody on board to do that and I think too also that the legislature failed to realize that a board has an investment advisor. Also a board has internal staff that have knowledge of investments. So it's not that you need someone from Wall Street to be on board. And the board goes to conferences and training to have forces and investment so I can't see three people having what can they do and the investment advisor is always the person we see from an independent voice I mean yes it's good to have someone you know and the degrees have now all been limited to finances so law everything else has been removed oh yeah that's true it has been removed yeah so no law law is still there law is still there it doesn't economics finance law i don't see doctors yeah no medical no they removed the

0:06:20 They met up, but they didn't. Okay. In the state appraisal, it's a targeted audience. So finally, that's gonna be called upon. Yeah, he took out medicine. I started to say that you got to be careful what you say because you just said Is this Mr. St. Thomas? That was off the record.

0:07:03 The union represents, the sales members represent the union, but you always go on telling them, reminding them that when they sit here, they don't represent the union. I know what you were saying. But you know what I'm saying. I know, but technically when we talk about active, so what Kathy is concerned that when we talk about active, we represent the active members, but only on the union side. But it's a, exempt employees are also members of DRS. When you engage in to make a decision, I think you have to take the union out. Yeah, well, that's what y'all told me when I first entered.

0:07:38 And you do, but it's only human nature that in the back of your mind. How is it going to affect? Yes, you're thinking about how it's going to affect the people you represent. And that's why the conversation, that's why in all the retirement systems nationwide, you have that voice on the board because you have to make sure that the workers, and even though we're union-based, we're still active-based. So even the exempt employees benefit from the conversation we have from the union perspective because it is the working people. Not just that we don't say what exempt employees don't count because when the conversation comes from the CLC rep or the labor trustee basically talks to the issues of all working people, whether they're unionized or exempt. But it's just taking out that position seems then that you don't care. So you're saying, you know, it doesn't matter if you take that person out.

0:08:31 So that's basically what they're trying to do from my reading of this is to remove that part. So what they're looking at now is to, as the map was trying to do is stack it for what his purpose was. Except he wanted to add to the number of trustees. Because he couldn't, he didn't, you know, but now this one has just removed them and replaced them. He couldn't find people to replace them who qualified. So he wanted to add more, which didn't have the requirement of St. Thomas, St. John or St. Croix, and then he could pull people from anywhere. So now this bill just basically replaces the labor trustees with their experienced trustees.

0:09:12 experienced trustees no it doesn't replace the name of trustees yeah it checks out oh all right well it's not accounted for it it's not there that's the whole conversation i know it's not there so you have to read it there's no segment in there for it at all All right, continuing. So that's it for correspondences, Mr. Neff. Yes, ma'am. Chair Prince's report. As acting chair, I do not have an official report. I've tried to let Dr. Callender continue his role as a chair, so he basically is still in charge from across the pond but we just basically had a few meetings that we are trying to organize ourselves and some of those conversations will come up in the executive session and there's a report okay good morning that you acknowledged arrival of trustee June 28th meeting that we have started started back again since the storm to meet with them on a monthly basis on June 9th we met with Geradia regards the replacement of the air conditioner system in the building. On July 24th, I appeared on Redfield Show in St. Croix. July 26th, I met again with Vitek's executive teams in regards to some of the problems we've been having. On July 29th, I attended an investment committee meeting on a meeting with Gaming Site Merchants Association. On August 9th, I met with Southland Gaming.

0:11:30 It's one of the determinants at Port of Sale. He requested a meeting with me on August 16th. I attended an oversight committee meeting in regards to Haven Site Hall FY 2020 budget. And August 20th, I met with Mr. Sabers. He asked for meetings with some recommendations for Haven Site 1. Act number 7261 and 7128. There are no updates on those projects. uh return to work uh since february 2019 we have um we have an inventory we had an inventory 64 return to work cases those are retirees that have returned to work we have completed 31 of those cases as of July 31 and total cases in progress 33 now as you know the law has changed effective August 30th 2019 in accordance with at 8029 only tier 1 and tier 2 retired retired nurses teachers and continue to collect their annuity for a period not to exceed two years all the retirees must either resign their employment or notify the grs to cancel their annuity we have presently as of august 31 we have prospective now we have approximately 199 uh retiree cases applications pending the majority of those applications are in january 2019 and And we are in the process of being completed for various reasons, mainly maybe employee contributions, employer contributions payments.

0:13:30 Refunds this year, we have completed 551 cases, totaling $6.1 million. regular cases which are non-vested members what 375 out of 551 total of 5.7 million dollars and there are 48 cases total pending as of July 31 2019 debt benefit cases this year we have completed 33 paid out to the beneficiaries 1.7 million dollars there are about 102 cases in inventory to be completed life certificates we have members out of 102 members that we sent out the certificates two 88 came back which are good and 12 member benefits were suspended due to a just change to GRS one benefit was dominated due to that certificate received and one was rejected because of the non-compliance with the power of Mr. Nebel, I have a question in there.

0:14:57 Of the suspended, the 12 suspended individuals, is there going to be follow-up on those? Yes, there are follow-ups all the time. I know one person called me, his son called me, the person was in living in puerto rico because most of the life certificates are in puerto rico however he uh he's in florida now um sick and um i guess the the the checks were going to his um or checks were going to his know what happened he didn't respond i guess the mail was going to his puerto rico address he came back however the son called me because they see that the monies for not being deposited through his account. So now we know where he is and he has asked for an address change. So they are coming in and we follow up with them all the time, but they would probably, they would have to call us because if the address is, if the mail is coming back, if we don't have, sometimes we don't have a number on file, sometimes an email address, we're trying to populate all of that right now. Because some members don't give you the number or they change numbers. You call them and the number has changed. since after the hurricane, especially in Puerto Rico. Well, see, but there are 11 others and they could have been dead for the last year. So they won't- No, well, we would know if they die, if, well, if they don't, if we don't get a certificate back, then we're gonna investigate.

0:16:34 We can look, we have the service, we have the social security. We have the life and group health insurance because I think all members have the insurance, right? With the life insurance, yeah. Life insurance. So usually the beneficiary will come to the group health insurance to collect the insurance, or we can follow up with Social Security, and we also have a service, PBI, nationwide, that does a report for us. We can go up daily and determine who has passed away. Okay, all right. Thanks. we have we have the local also vital statistics that we Department of Health that we have a relationship with as far as annuity payments the number of retirees as of July 31 with 8680 members we have paid off from October through July 31 with pensioners 208 million dollars 208 point nine million dollars the number of retirees added from October through July is 423 the number of retirees added to the payroll for a July 31 2019 pay date was 16 the number of retirees expected to be placed on the payroll for the August 15 2019 date is 15 the number of retirees deleted from the payroll from October 1 2018 through July 31 2019 is 259 so the gross payroll for August 31 was ten point ten point six million dollars the members portfolio as you can see it's it's decreasing because of there's no loans being issued as of July 31 the number of loans still in the inventory is fifty one hundred fifty one hundred five hundred and three five thousand three are personal loans between retiree

0:18:43 and active members. As far as our buildings, there's a pending elevator replacement. We have on the agenda today to approve an amount to do that replacement. The St. Croix office complex, we did take care of the concerns for the Pleasant Medical Center. We did an environmental study done in regards and testing done in regard to the air quality of the building. Some of the employees were complaining and that came up pretty well. We also had that done also in the St.

0:19:27 Thomas office. We do have more, especially in my office, that's what they claim, and also miss Potter's office and some other places around the around the complex I think miss your office to us more in it so we have to get that done and our contract was awarded to Benton to fix the repairs on the fence in this employee office since the hurricane I think there was an accident also a car not one of defense part of the fence down there are no issues to report on the casino control Commission this in Thomas complex I said things are moving along doing as much maintenance as we can there are some issues that we have to deal with the tenants especially Department of Justice with the electrical issues and also there was some rain that we've been having problems with the roofs so we have to go back up to the roof to do some do some repairs to the roof in that area our rental collections for July was a hundred and sixty eight point nine thousand dollars and total yet fiscal year to date we have collected one million dollars or one million dollars in rental and reimbursement in electrical charges of four hundred sixteen thousand but total of one point four million dollars we also have a rare ages of two hundred and one thousand as of July 31. The majority of data rareage is in the Department of Justice and also in Division of Personnel. Insurance claims we have been working on with FEMA

0:21:37 diligently. One of the issues we are looking at is the Havenside Mall. As you know, FEMA has recommended that all of those roofs be replaced. However, we would have to front the money first before we get any reimbursement, so we are looking diligently at that. We wanted to start initially with gourmet gallery roofs. However, we did have an RFP that went out. Why could it put an RFP? We selected a contractor to do the replacement of that roof. The assessment of the roof. In the IT area, I submitted Schedule B. It's a significant amount of things that are being done. of the largest projects we have in right now we have our contract in-house all week we are grading our accounting and HR docklink software they've been training we have been in training all week we also are migrating to the cloud for that module also we also have a contract that has not been signed yet but we have been looking at the legal sufficiency to migrate to the vitex cloud that we wanted to have done before the hurricane season we a little behind because we don't want to update problems if there's a hurricane where we don't have been able to get access to our to our information in regards to customer service excuse me before you go on I'd like to add just

0:23:35 one comment here with IT entity is a very important thing is going on right Now, the Windows 10 is sending out notices for an upgrade, and it's extensive, and it takes quite a bit of time. If it's interfered with by a power surge or a cutoff of power, or you walk away and turn it off, it's going to disrupt your entire computer. They even shut it down and crash it. So if you do allow for that Windows 10 upgrade, make sure that you leave it alone until it's fully loaded.

0:24:13 restarts on its own. I am not at that much but okay I'll take that on advisement. I'll check with Mr. Thomas to see to look at what comments you have made but I can't respond to you on that. In regards to our customer service, as you know we have developed a new unit in customer service and there's not been a lot of activities since that unit has been established and i think that we made the correct choice to do that because since january to july there has been over 3 000 interaction with that unit and for the month of july only there's been 572 interactions and we gave you the schedule that shows you a lot of the interaction has to do with the direct deposit changes um uh annual statement requests um has to do with the loans and and uh how to reset the password so i as you can see moving that from member services it would have tied up a lot of those benefits analysts work and we have a lot of projects to do so i think that um we're getting the bang for up by moving and we didn't really cause us anything what happens all we did was move individuals we we did a reorganization and those individuals after the storm so a lot of people were leaving us especially those people individuals were not vested and we we reorganized and um it didn't cost us anything and i think we're getting a good return on our investment so

0:26:10 and it's going to get worse because as soon as because of all the unknowns that we are having um they're going to be more interaction with the members on a daily basis we started our energy audit um we had the energy office came in as you know about four or five years ago we did was five or six years ago we didn't have an energy presentation by i think carl knight who's the chief of staff now from brian he was in charge of that office then but we brought the energy office back in and they have made a lot of recommendations to us we haven't been able to quantify their recommendations but i'm sure that initially upfront costs however be a good payback good payback in the in the future due diligence the universal financial consultant due diligence that we was talking about they have set the date of September 19th in Tampa this is investment committee thing so it does dates are available that date is available I guess you'll travel either on the Wednesday and the 19th is is Thursday so we can do it on a 19th if I'll send out the invitation to everyone who's in everybody every one of the board members are part of the investment committee so please let us know if you're gonna be attending that so I can send back to them and confirm the September 19 date in Tampa okay I don't need that probably as soon as possible so I can say yes or no and that is a follow-up to the presentation that was made in St. Thomas that ends my

0:28:12 presentations. Any questions? Any other additional questions for the administrator? We start with you, Dr. Cohen? Any questions of the administrative report? No, I don't have. Dr. Calendar? One question. Mr. Dipp, I noticed that in customer service department, okay in the customer service department you have one rep on saint croix do you have plans to increase that number that's why we asked for cross training in saint croix i'm sorry mr niggs that's what we asked for that's why we were requesting cross training in St. Coy. Yes, we have looked at that, we have discussed it. As a matter of fact, the person who is there right now that submitted a resignation, we asked her to stay on, to reconsider. I'm not sure, you know, we can route calls to St. Thomas, that's what the system is is getting to routing causes systemic but if the board i can submit the budget if the board feels that um we need another uh another body but my recommendation would be to cross train i agree that's why i recommended cross training no i had noticed i had noticed in the numbers that that one person of st croy you correct I've seen twice as many cases as any one person of St. Thomas I understand okay

0:30:09 it could always be too awesome it depends on what category she's but we have identified that we know that we have observed it the last few months but my recommendation would be for cross training okay no other questions attorney me not no no questions how many employees you have in sync right now St. Croix, about 20, about 20, 65, 20, I think it's approximately 20. And in regards to the question, that includes maintenance and stuff. You don't foresee in the future anymore, you know, resignation or retirement? Well, you have individuals there that are not vested. Excuse me? You have members or employees that are not vested. This person that had submitted, and she's a hard worker, very good employee, was employee of the year, and she had submitted a resignation. I asked her would she reconsider, and Ms. Splendina has been working with her, and I think she did reconsider. Is that position exempt? No. Is that exempt, Ms? No, it's not. It's not. probably sometime is the salary sometime um um no i think it was something else we have been able to iron that out okay well that's a post that matter okay very good personality very good employee hard working and do anything you actually do but she just had some issues i think we have been able to live i'm glad you got it all sorted out yeah but again my recommendation would be to cross train i agree i you know i don't know but i thought that was already being done that's what i thought

0:32:08 no but also we had mentioned in the budget thing yeah well we cross train but you can you see you gotta be careful too the union yes that's why i recommend cross train with the board position you know because that's exempt Miss Nico helps out a lot you know she's all around her but if some people are out that's where you get the problem a lot of problems so that's why I recommend cross-training the board's position it's in place. I only have two questions. I think one was answered a while back but I can't remember. We have started improving our turnaround time for annuities. What's the average time from separation to annuity right now? think now i've seen people gather stuff within uh i see 45 days now it depends it depends they're still waiting for nopas from the government i heard they're waiting for 100 nopas from the government but i've seen i see people turning around very fast now within that 60 to 90 days window we're still we're still good at it and what about for the debt benefit what's the average time working that has that has some issues we're working we're pushing to do better. So what's the average time period right now?

0:33:48 So now it can be six months to a year. Yeah, it depends on the issue. It depends on the issue because sometimes it's hard to find beneficiaries and all kind of stuff. It's a lot of, it's a lot of, or in some cases they don't leave a beneficiary. You know, there's a conflict in the law that we've been trying to get changed for the past 10 years. And so we, of course, it causes us to file an inter-fleet in court. so that usually takes six to eight months depending on how willing the people are to settle barring those there doesn't work every issue it's on it's on our radar we're working working very diligently too okay i don't want to say we you know we put in fire but we're working to get it done you know because it that question was brought to me yeah yeah recent and i was like well y'all is everybody because i know we had some cases is everybody straight with who is supposed to be like so the first they say hang an outside chair and we're good it's one family that's the first thing that came from them and i'm like i didn't say that but there are other issues a lot of other issues next time i'll probably get some type of breakout with some of the issues that we have okay but i've seen some of them years and we we push them to get those things this one is almost two years that's why the person actually if the children if they leave it to children that are minors and they have to get a guardianship because you know just because you're the parent doesn't mean you're the actual guardian of the child a lot of times the court don't appoint the parents to be the guardian exactly for a reason so that's why we won't just turn over the money to the the parent we want a guardian and then we let the court know that we've turned over this money to the guardian. So then it's up to court to monitor where the money is spent.

0:35:35 From what I'm seeing is if an active person pass, I think it's easier. I don't know. If they have a beneficiary. Yeah, it's usually the retirees and then sometimes they have money, if they have contributions left over. If they have the contribution or so. It's mainly a problem if they don't leave a beneficiary or if they leave it to their children and then they have a spouse, then the law conflicts. So those are some issues. Thank you.

0:36:04 Any other questions for an administrator's report? Committee report. Could I ask one question to Mr. Nibbs? Related to the outstanding electric balance, specifically for the Department of Justice, are they paying not only monthly, but are they trying to pay down some of that money as well 164 thousand well you know when they when we the when the new AG came in they did wipe it wipe it out somehow since january however they've fallen behind i would think it's because of their allotments however we did have a meeting with um the ag a couple of months ago two ago and she's uh just promised to get caught up with uh and as you can see there there are averages is the electrical portion not the rental yes yeah but you must remember now there's 52 lights out in in the DOJ I must say that we are guilty of that they are 52 lights out in DOJ we're not responsible to replace the bulk but the problem with the electrical ball ballast so that we just ordered them they came in we can see what we fixed we will fix the ballast and then they have the light they purchase the lights they put the lights in but it's our real problem why they're 54 lights out in Department of Justice that's not good as a landlord okay we just learned I learned about that in the meeting I didn't know that so we ordered the ballast I think with the prior IG the prior AG they were the ones that were footing everything however you go to I guess since the AG, the new AG came in, she looked at the lease. And the lease only, the lease calls for them to be responsible for the bulbs, but not the electrical part of it.

0:38:14 We're, because the old lease said, and the old lease goes back years and years and years, that we're, any lights that GRS puts in, they're responsible for the fixtures, not the bulbs. Now when we do the new leases, that's going to change. They're going to be responsible for the electrical. Well, now that Dr. Cohen brought that up, one of the energy efficiency recommendations is normally to adjust your lighting for, oh gosh, now the term, when you leave the room and dormancy, and it's dormancy, are you guys looking into doing that rather than just We've been discussing that. We've been discussing the water where you have the automatic. So when you put your hand under the water, it comes on and then when you remove it, it goes off. So you don't have to worry about people turning it on and then, you know, washing their hands and then waiting to turn it off till they go get a piece of car.

0:39:09 I've heard an argument about that too. In those type of issues. You know, you do that and you don't need all that water and just waste it. But I mean, we are looking at, like I said, the recommendations that were made by the energy office. It's attached. and even like 24 hours lights on in here. And I've been saying it all the time. Why do we need 24 hours in the corridor? Just have motion. Anyone who comes in on the weekend, they come up the stairs, the motion lights are gonna come on. Sometimes I'm going home at night, I turn the lights off in the lobby, because they're on, and they stay on 24 hours. Why should they stay on 24 hours? After a period of time, they go out if there's no motion in there, you know. And we might be able to do some savings.

0:39:53 looking at solar panels maybe doing in the back there in the parking area just like the courts we talked about that and then putting some solar also so i guess all of this has to be i think in conjunction with where we are going to be going in the next few years Are we going to stay with the buildings? Are we going to sell them? All of this we have to think about. Maybe it might be better marketable to have the solar. I'm saying this is what we have, because there's no way, and I'm going to say this, there's no pension systems that I know, but I have research that owns any buildings. the rent okay and I've done us extensive research they don't want to be now what I recommend that we can do is that we can do us sales type leads back where we don't wait if we're gonna downsize and when things happen next three four years we have to downsize maybe we only we don't need it you know the second and the third floor all of the third floor and we're gonna rent a smaller space and and you know the technology and everything as you in a board meeting the board retreat i t presented a good presentation in regards to the millennials and the young folks they're looking more to work at home and we have to consider that also i worked at home 30 years ago and you know i got the same productivity that i have and he he's and he did draw he did a good presentation in regards to that that maybe even they have to look at that also not all individuals certain individuals maybe they work at home a few days a week come into something like that but that's what to attract millennials because that's what it is the way of the future of the millenniums that's what they like and you can monitor them and to see their productivity in a lot of ways so but i think we have to consider all of that in the next three four years if nothing is done if nothing is done because when all our liquid assets go you know we don't we won't have enough monies uh you know to make meet expenses using all of that we don't have any investment income so I think these are things we have to consider

0:42:44 I mean Pleasant has been behind us it's a boy we have done a study of areas where we accessible to members with parking we have done that already to see where we can move to then you consider selling the properties we get a good deal hopefully we get some cash insets yes yeah that's what we're looking at but with the moody's rating that came out i don't think they're going to get any financing too soon White paper has been completed. We just got the final draft. There were some changes by board council. We incorporated those. We even incorporated Moody's situation and we will see submitted to the to the chief executive. I was gonna ask when when do you expect to submit that the board has already approved it just made some cosmetic changes it's a beautiful paper looks very good made a lot of suggestions but it looks very good it's very convincing and a lot of statistics don't forget he's looking for an expert now he's right to the point so I hope he he looks at it Charlie I think maybe let's write these credentials at the bottom so he can understand I don't know. I don't know what they're looking for because they, I think it was the former governor, requested to use the consultant that did work with CalPERS and like newsflash.

0:44:57 That's what we have. And I sent him a copy. So I know, and I don't know why our administrators or our local administration always believes that somebody else's recommendation be better than something local. they why can't they believe that we know who to go to they assume that who we choose is not going to be sufficient because it's not what they heard from someone else but we have as transparent as possible auto reports everything is public but but if they had to hear it from an outside source to understand that we actually know what we're talking about so right so that will be submitted this week probably today thank you no further questions for the administrative report we went above and beyond the report committee reports we can begin with investment committee There's nothing to report except that there was a meeting of that committee on the 29th, I believe, of last month, July, and the meeting was with the Haven Sites Merchants Association. I guess trustees attended, mostly everyone attended. I think there were five trustees who attended. And I guess there's nothing that I can report coming after that meeting. i can speak about it but i don't think there's anything of real substance to uh to report about it except that it took place uh there was exchange of views as the diplomats would say uh but there was nothing concrete no decision and any concrete action to be taken by either side uh whether by the side of the association or the board, GRT Board of Committee. That's all I can say about it right now. Thank you. Development Committee, I have nothing to report since this is similar to the Investment Committee. so I don't have anything to report at this time, Madam Chair. Medical review? No report, ma'am.

0:47:56 No report from the Budget Committee. Okay. Thank you. And Policy Committee, they've had a report because we were standing, but i saw on the agenda again trust um attorney smith has the board manual so we have to have a conversation because yeah i haven't gotten the final back there's the last one so i have the first number no the but the board governance was the first one i did before i even tackled the that was 20 yeah I did make some suggestions and changes and I sent it back to you okay so that will definitely be done before the next meeting I was like I thought it was still stuck on your in your side after double check right treasurer's report yep good morning butcher and other trustees government employees retirement system schedule of receipts and disbursements for the month ending July 31st 2019 the seats on collections loan repayment two million ninety seven thousand four hundred and twenty eight year to date twenty two million eighty thousand six hundred and thirty two rent from tenants slash utilities one hundred eighty four thousand three hundred and twelve year to date one million four hundred and sixty three thousand eight rents from havenside tenants five hundred and 28,633. Year to date 5,131,862. Employee retirement contributions 7,647,432. Year to date 69,822,948.

0:50:04 Employee Retirement Contributions, $4,482,013. Year to date, $39,652,657. parking facility 1,115, year to date 10,780, miscellaneous 663,910, year to date 30,303,190. Total collection, 15,604,843. Year to date, 168,465,076.

0:50:52 Disbursements, annuity payments, $21,858,229, year-to-date, $216,421,971, administrative expenses, $1,038,856, year-to-date, $11,078,527, Personal loans, $2,598. Year-to-date, $284,159. Mortgage loans, $99,727. Year-to-date, $545,089. There were no retiree loans, auto loans, or non-loans disbursement. Year-to-date retiree loans, $235,697. Auto loans, year-to-date, $153.

0:51:52 Land loans, year-to-date, $1,962. Refunds of contribution, $1,041,254. thousand year to date ten million six hundred and twenty thousand seven hundred and sixty two allotments to wyco management fees nothing for the month of july here today two million two hundred and sixteen thousand two hundred and ninety three for a total disbursement of twenty four million forty thousand six hundred and forty four year to date two hundred and forty one million four hundred and five thousand six hundred and fourteen net cash excuse me net cash deficit eight million four hundred and thirty five thousand eight hundred and twenty one year to date net cash deficit $72,940,537. That's the end of the report. Any questions from Ms. Jeremiah?

0:52:58 Dr. Claude? No, I have none. Dr. Callender? No ma'am. No questions. I don't have them. Thank you Ms. Jeremiah. investment officers report. I'm so sorry. I need a motion to approve the treasurer's report. So move. I'll second that. It's been moved by Trustee Smith, seconded by Dr. Cohen. Trustee Caldwell. Yes. Trustee Cohen. Yes. Trustee Liger excused. Trustee Maynard. Yes. Trustee mcdonald absent okay trustee smith yes chairman calendar yes i don't share five yes excuse one thank you mr henderson you're up uh good morning trustees uh this is an update of the investment fund performance as of July 31st, 2019. Total plan returned as negative 0.5% for the month on the performance benchmark. Mr. Henderson, Mr. Henderson, I'm having a little trouble hearing you. Maybe come closer, please.

0:54:23 One second. can you hear me good now yes thank you you're welcome total plan performance returned negative 0.5 percent for the month of July on the performance benchmark by 120 basis points total equities 1.6 percent return of performance benchmark by 10 basis points total fixed incomes 0.1 percent return on the performance benchmark by 10 basis points total alternatives negative 5.1 percent return on the performance benchmark by 680 basis points There was no compliance update. Notable manager performance, Brandywine, had a negative 1.3% return for the month and underperformance benchmark by 85 basis points.

0:55:29 To update on the cash flow activity for the month, we ended the month at approximately $623 million. This excludes the member loan program and the office complexes. No funds were raised in the month of July. We do plan to raise $48 million in the month of August and these funds will be raised from the liquidation of the Brandywine account. As you know, Brandywine has been one of our longest tenured managers. I think we hired them or the board hired them from back in 1998. fixed income and based on our dynamic asset allocation and sources and uses schedule unfortunately given the um the system's position we're forced to liquidate that account those funds would be moved to the u.s debt index fund as per the sources and uses on the dynamic asset allocation plan. For the month, we paid about $93,000 in investment management and custodian fees. Year to date, we paid $464,000 and fiscal year to date, approximately $668,000.

0:56:52 Just to look at the activity for the month, we began with a market value of approximately $646 million we had a net cash flow of about 20 million uh to pay benefits and expenses we had income of about 190 120 000 we had again we actually had a loss of negative of about 3.5 million which brought us down to um 623 623 million market value and again that excludes the member loan program and the office complexes. If you look at the bar chart at the bottom of the record of asset growth, you can see that our assets have been dwindling down consistently over the 10-year period. Just a quick update. I know the market has been a little volatile for the month of August. So just to update the board, as of yesterday, our performance estimates have the plan up about 1%. So even though there has been a volatile August with all the trade tax with China and the chosen one, and the inversion of the yield curve, still you know having a positive month at one percent that ends my report for the month of july any questions for mr henderson with dr clowett no i have not thank you dr calendar okay no ma'am

0:58:42 just a comment after brand new one if i can i just want i mean this is like when we go to the legislature we are and you know if i if i was at the legislature today i'll show them that between the investment income and the gain in the portfolio over close to 40 million dollars for the year so the investments always take this is taking the you know exactly And we've always mentioned that because from the beginning, we compared our contributions with the disbursement.

0:59:23 And I continuously stated it from the beginning when they talk about the GRS bad investments of the past. And I have basically said those bad investments is what has paid that $10 million extra for between contribution and disbursement because annuity payments are always double the contribution so that money always comes from the income generated from our portfolio and now that we have basically liquidated most of our portfolio this government is not prepared to put in that money and if they have not identified a way to put that money in what are they telling our community and although we we withdrew 100 million yeah we got we still were able to get income and gain of uh 40 39 40 million just a note going forward because of you know liquidating our equity assets which were of higher risk i think we have expected return of about five percent going forward so but if you don't have the money to get the percentage on you're not gonna make any money and they need to understand that they must give us the money so that we can then get the earn the income off of that money. They're not trying to understand. So, Mr. Henderson, that's correct. We just have one remaining manager, right?

1:00:55 So, we have Q Capital, which is unmeasurable, exactly. And then we have BlackRock, of course. Well, the index. I know we have the index. Yes, still a manager, but index. communication with the black rock is still um ongoing with um the last time we yeah they have identified I can't remember his name right now.

1:01:28 Black crap without OB is... I said black crap without OB, I'm like, really? Any other questions for Ms. Anderson? I guess you're still on this track insolvency in 2023. I don't know, we're not having that conversation. How do you manage to help one? Depends on how Trump we did. Oh, yeah. You guys, you guys, you guys, well, you can continue.

1:02:07 Okay, so let's continue. Moving into a regular session. First order of business is ratified a poll vote granting authority to the administrator to execute the letter of intent with port of sale. sale and madam chair this is uh to ratify a poll vote was done in july in july 17th all uh trustees responded except trustee mcdonald and this has to do the my non-vinding letter of intent before the sale I mean it was for both was taken and it was signed by by me and was sent to So we're just trying to ratify that poll code that was done. It was six years and one didn't respond. Madam Chair, make a motion to uh to ratify uh the poll vote in granting authority to the administrator to execute a letter so what am i doing that's that's not the right thing right oh okay to execute a

1:04:08 letter of intent with port of sale can i get a second second i've been moved by trustee Smith, seconded by attorney Maynard. Trustee Calvert? Yes. Trustee Cohen? Yes. Trustee Liger? Excuse. Trustee Maynard? Yes. Trustee McDonnell? Absent. Trustee Smith? Yes. Chairman Calendar? Yes. Madam Chair, five years. One excuse. One absent. Thank you. Next order business approval of element replacement at the White House. I'm sure this is wanted to approve this replacement in White House. As you know we did refurbishment to the White House and lo and behold few years a couple years after the elevator has given us some problems. So we had an assessment done by the engineer, the Iridian Design Group, and found out that the elevator needs to be replaced. I have some legal issues about that, but I'm not going to say it here. However, so we um we were able to contact otis which as you know is um probably the premier elevator company in puerto rico because it has a puerto rico address yeah no i'm just saying okay so anyway they well Well, they service our elevators, but they have to come from Puerto Rico to do repairs. And they recommended, well, first initially, they recommended their elevator, I guess, the largest one, which could take 2,100 pounds. However, that's too large for the space. So they recommend a different type, maybe 1,400 pounds.

1:06:32 And so that's what we're going to be looking at. However, so that we can expedite, in the event everything goes well, I'm just asking for the board to do a motion now to replace it at an amount not to exceed 98,000. The larger one they did, both 98,000. So I'm assuming it might be a little lower, we don't know. Should be. Well, it should be. So I'm asking the board to grant us the authority to contract with them for a replacement of an elevator, not to exceed 98,000 hours for the White House.

1:07:09 How do you say you arrived at the 98,000? That was a quote that they sent us based on the larger elevator. How long ago? It was done in June. I don't think there'll be any problem. It was June and I think it was June. June it was in June 2019 yes I have a question though but it's a smaller elevator it's not a large one with 2,100 pounds it's 1,400 pounds my different brand they call it Lula they feel like that should work so I'm making the assumption and it should be less than 98,000 pounds they have they done the they have done the assessment the engineer has done the assessment of the drawings drawings that we have and everything and they have agreed with the iridian that that would work a larger one could not work for the space we would have to bust walls for the 2100 pounds and have cranes come in and all of that stuff we don't need to do that cost us more money so that elevator that is in the White House is only really reduced by ADA. Most people would come to the front without the basement coming out in the elevator.

1:08:33 Has there been any recent expression of interest in renting that space? Yes, there have been a couple. We told them because they cannot, we told them about the elevator replacement. man. Some citizens would probably do it, but they can't. They don't want to pay this price per square foot. I even reduced it $10 per square foot. You know, I think we need to get our money back. $25 per square foot. Initially, I said $35 a square foot. I reduced it for the legislature to $25 a square foot. They didn't respond. Meaning what? They don't looking for $10 crazy $15 a square foot question about the elevator was not elevated just put in after we're doing the restructuring said elevated was used how many times five I can't see how many it was used more than five you know I've been in the elevator and I know that I've heard I heard sounds and noises I I remember, there's a question as to why we accept it. We should discuss that.

1:09:45 I can discuss that. Yes, I just wanted to know if we're going to have a conversation with the original installation of that elevator that we haven't had usage. We would have to, this is something that I said. Yes, I just wanted to make sure we have worked at that conversation. I did mention that before, we got a look at that, and however, you know, I'm not pointing fingers at anybody but i it's i um unacceptable yeah to say the least right okay and i got the agenda in short order well yeah because they're going to have to help us pay for this new one right okay can i get a motion it's also moved to um allow not to exceed 98 000 um for the replacement of the elevator at the white house second motion is be moved by dr trustee cohen seconded by trustee smith trustee carwood yes trustee cohen yes trustee liger excused trustee maynard yes Trustee McDonnell, absent. Trustee Smith, yes. Chairman Gallinan, yes. Chair five, yes. One excuse, one absent. Thank you. We've now come to a portion of the meeting where we will have discussion. We should be closed to the public for matters pertaining to trade secrets and or for financial commercial information.

1:11:39 So move. May I have a motion for executive? So move to go into executive session. Okay, I'll second that. It's been moved by Trustee Smith, seconded by Dr. Cohen. Trustee Calwood? Yes. Trustee Cohen? Yes. trustee liva excused trustee maynard absent trustee mcdonald absent trustee smith yes chairman calendar yes chair four years one excuse two absent Thank you. Thank you stuff, people.

1:12:31 Seven. Ten? Seven. You got it. Quarter after. Quarter after we begin. All right. I'll be on the left. The audio is back. Three up. I'm going to send a letter for the teach conference on October 18th. Personally, you have to step up. Teacher. You and the universe. Yeah, yeah, so they can stay. What's my face? October 18th. Priority. Priority. what you're talking about i'm like great no i have to do this with this girl what you do and let's go if i want to come

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.

5x **Trustee Leona E. Smith**
heard in this transcript as: Smith

3x **Trustee Vincent Liger**

heard in this transcript as: Liger

Bills and acts referred to

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

Act 7261	Act 7261 · An Act enacting the Virgin Islands Economic Stability Act of 2011, amending Title 33 Virgin Islands Code, chapter 3 to add a new section 58 pertaining to Emergency Services Surcharge; to set the implementation date of the Act, to repeal section 29 of Act No. 6333 and for other purposes ---0
Act 6333	Act 6333 · (title not held)