GERS BOT's Special Board Meeting 3/2/23

GERS Retirement System (Board of Trustees)

March 2, 2023 · 0.6 hours · gov

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0:00:00 good morning everybody good morning good morning all right this is the special meeting of the board of trustees of the government employees retirement system of the virgin islands for march 2nd 2023 is there my call to order Mr. Chairman, is it excused or abstent? i didn't get any correspondence i didn't get any correspondence dosi absent trustee liger yeah chelsea mcdonnell absent ex-official member cindy richardson present present trustee smith absent chairman carlwood president for president three absent can we have the treasurer's report uh mr chairman before you begin i i have to inform the board i have to leave i had a please premium schedule meeting at 10 30 so i'm gonna leave about 10 or 10

0:01:50 15 okay okay okay because i have a scheduled meeting that i can avoid okay thanks Can we have the treasurer's report? I am trying to pull it up, I'm sorry. Yeah, Mr. Chairman, I think based on, you know, the meeting that we had last time, you should offer a apology to Trustee Dorsey, and, you know, I don't know if he's online, but I think it would be appropriate, because, you know, So things got rough, and I'm sure that you didn't mean what you said, but you should apologize.

0:03:06 And I'll ask you to do that, please. Do you know that? I will share my screen. Good morning, board chair or the trustees.

0:03:47 Good morning. Morning. This is the government employees schedule of receipts and disbursements for the month ending January 31st, 2020. We have collections, loan repayments, $707,990 year to date, 2,766,814. We have employer retirement contributions, 7,925,260. Year to date, 30,339,927. Employee retirement contributions, 4,659,646. Year to date, 17,557,226. We have a total collection for the month of January of $13,595,676, year-to-date $210,463,753.

0:05:07 We have disbursements, annuity payments, $22,620,202, year-to-date $95,727,129. We have administrative expenses of $1,090,859, year-to-date $5,311,818. We have total disbursement of $24,650,023 and year-to-date $105,774,989.

0:05:52 We have a net cash deficit in the month of January of $11,054,347. Year-to-date, a net cash surplus of $104,688,765. Our year-to-date administrative expenses was 34% of the budgeted amount. For the Havenside Mall, for the month of January, we collected $455,524, year-to-date $1,912,050. dollars our total expenses for haven site 236 369 year-to-date 1 million 152 thousand eight hundred and ninety two for a net cash surplus of 219 154 in january and a year-to-date net cash surplus of 759 158 dollars our expenses for the month thus far is 14 percent of budget that ends the generous report board share I have some questions. Thank you, Mr. Amaya. I have some questions, Mr. Amaya. We're interested in yourself. Okay. Mr. Amaya, go back to the first. Excuse me. Yeah. Yeah. Uh-huh. Loan repayment. Okay. And Mr. Nibs, you could chime in when you're ready because I want to understand that those loans are outstanding.

0:07:58 And I want to figure out on the top you have $2,766,000, but $3,548,000. So I could say the dates for me, Mr. Jeremiah. Yes. Okay. in in 22 we collected more money than in 23 right correct okay and these loan repayments are from previous loans that were granted and they just pin into the system now is that it yes this is the member loans that they're repaying and remember we haven't given any new loans since 2015 so the amount of money we are getting in is less every month every pay period okay and that that that leads into my next question okay so that the loan program was a viable source of income and it still is right but it's small but it is right you would agree with me it was however with our cash flow issue and that issue is still there as far as i'm concerned we still have a cash flow issue and so that is still there there's no doubt that it was viable but okay okay now go to employee and employer contributions i'll let that thank you good okay um year to date for the employer um in 22 was 32 million and why is it lower in 23 we have to take into account that employees leave we probably have less in addition

0:10:00 remember that there are some agencies that still have payments due outstanding outstanding yes okay okay okay go to annuity payments disbursements a pretty high in 23 is are people leaving the system is that the reason remember the people who are retiring now most of them retire making more money than long ago so our annuity is growing oh we're paying out is growing okay okay and i'm going to mortgage loans now yeah it's the seven thousand yeah those are mostly escrow payments that we are making on behalf of those who have mortgages if you go to our oh you see this is the insurance yeah yeah i'm following you right what that up there is okay okay go down a little bit more now we finished with that okay i finished with that go down a little bit more administrative expenses i was where is that i want to go to that i write it down here you're talking this amount yes okay so it is four and five million okay is that the same administrative expenses that we were trying to get from the legislature i don't know what you were trying to get from the legislature but that's the expense mr nibs are you on online yes i'm listening okay when you went to the legislature

0:12:05 and if i recall i listened to the testimony you were asking for 15 million to be restored to the system from the legislature right yes that was based on the arterial uh um estimate that was in the bond funding schedule yes 16 15.6 million yes so your answer is the 5.3 is part of the 15.6 oh that okay you anticipate my question okay so could we suppose we asked for less would it cover no no tell me why well number one 15 million why it has to be 15 because based on the budget way this is is all this information is coming from the budget you must remember when When we came in with a budget, we came in with about $23 million to fund the FY2023. And that included some capital projects and also the IT commitment that we need for V10. So we had to take it out because our marching orders was that we have to limit it to the ceiling of 15.6. So my answer is no right now. Okay. So, can we separate the it from the other administrative expenses the iat is absolutely necessary can we separate it yes we have separated it and we are we are looking at other means but let me let me tell you uh we can limit a lot of our operating expenses we have cut down significantly on our operating expenses however you must remember our personal services and fringes are growing although we have have reduced our our manpower from about 95 let's say for the the main

0:14:02 office it's down to at least 72 maybe miss clandina can chime in but still it's every day be every month every year it's increasing because of the union um obligations that we have and increases in salaries increases okay but we can we can we can manage i think we can manage our operating expenses we have tried to we put a hole on it but um you know i can't see us going down to 12 million 11 million it wouldn't work okay okay i i don't our explanation is all i looking for you know because i think we should dissolve it but you may if we ask for less we migrate you know that's that's my rational but you say now okay fine thank you mr jeremiah i i good i good thank you i think i think to put them put the 5.3 into perspective that's that's only four months worth of expenses 15 million dollars for one year i'm good and i want us to be able to justify our expenses when we go to the legislature so that we tight and you guys did that thank you very much any other trustees have any other questions related to the treasurer's report accept the treasurer's report all right um trustee smith has made a motion oh um it's uh nips please uh mark trustee smith as president she just made a motion to accept the treasurer's report um can i get a second second it moved by chelsea smith seconded by chelsea russell can i have a roll call yes

0:16:08 trustee dorsley absent trustee leiger yeah trustee mcdonald absent trustee russell yes Yes. Trustee Smith? Yes. Chairman Calhoun? Yes. Five years to absent. Thank you, Ms. Jeremiah. Let's move on to the next item, the investment officers report. Good morning, Mr. Chair, trustees, listening audience.

0:16:41 This is an update of the investment portfolio as of January 31, 2023. Stock market started 2023 on a strong footing with gains across basically all global equities, and we saw benefit from that. So our total plan returned 4.9% for the month, slightly underperforming its policy index by 0.9%. Our domestic equity portfolios returned 6.9%, pretty much in line with their benchmark. Our total international equity returned 8.3% for the month, slightly outperforming this benchmark by about 0.2%. And our total fixed income portfolio returned 2.9%, slightly underperforming this benchmark by 0.2%. Notable fund performances for the month, our Russell 3000 index fund was up 6.9%. Our MSCI Emerging Markets Index Fund was also up 8.4%. It's not here, but our developed market, our MSCI EFIAC index was also up about 8.1% for the month.

0:17:54 Our U.S. Ag Bond Index Fund was up 3.3% and our U.S. High Yield Bond Index was also up 4.0%. How did that translate into dollars in the portfolio? so we ended the month at approximately 492.7 million so we had a beginning value of 489.5 million dollars we had a net cash flow out of the portfolio of about 20 million we had income of 476 thousand dollars and we had a gain of about 22.8 million that brought us Could you advance your screen? See those numbers?

0:18:43 You can't see it? At least I'm not. You see it now? Not on my computer, maybe it's just me then. I'm sorry. You have to go to the next page. Yeah, you have to go to the next page, Mr. Amos. Okay, it's on the next page on my screen. That's why I'm confused. Hold on a second. Hold on a second. you see it now yeah yes we do thank you okay good um you guys want me to start back from somewhere else some are you i'm going to just continue no start back i like i like watching the screen please okay good so okay so we ended the month with approximately 492.7 million uh if you look at the record of acid growth um section we began the month at 489.5 million dollars in the portfolio we had a net cash flow of about 20 million from the portfolio to pay benefits we had income of 477 um thousand dollars we had a gain for the month of about 22.8 million dollars that brought us that ending market value of 492.7 million so as you could see you know even with the cash flow with the gain for the month we pretty much you know broke even um as it relates to fees for the month we paid 97 000 um in investment management consultant and custodian bank fees uh fiscal year to date we've paid about 205 000 um and mr chairman trustees that ends my report for the month of um january 31st 2023 okay um i got a question sure yeah um when makita show up for a meeting

0:20:58 i'm sorry trustee russell i didn't hear the question I think we may have laughed him. Mr. Henderson, good morning. How are you doing? Good morning, Ms. Smith. I'm good, Trustee Smith. So, you know the portfolio, pension funds are all about stocks and bonds. When do you think we'll be able to go back into that status?

0:21:45 We're pretty much there right now with the reallocation back to that was completed, excuse me, that was completed end of last year, December, we're pretty much back to where we were in terms of allocation about 10 years ago. So we've upped our allocation back to equities. Our target now is back to 65% of the portfolio in equities.

0:22:21 So we're pretty much there. thanks you're welcome questions for miss henderson can i have a motion to accept so moved by trustee smith can i have a second to accept the investment second right moved by trustee smith seconded by by trusty barry can i have a roll down as an empty that's the barry yes trusty dorsey absent trusty liger yeah trusty mcdonnell absent trusty russell trusty russell absent trusty smith yes chairman carlwood yes Yes.

0:23:21 Four yes. Three options. All right. Thank you, Mr. Nibs. Next item on the agenda, new business approval of the Petty Cash Fund for Havenside Market. Mr. Chairman, just let me. As the Chairman, we've circulated a request for the approval of a petty cash fund for the Havenside Mall. The reason why we're asking for this is because we're experiencing a significant amount of small purchases in the Havenside Mall, many emergency purchases and because for timely operation and the effectiveness of this office, I'm requesting a pericash, approval of pericash fund for the office in amount of $1,500. Just let me digress a bit. The main office has a pericash fund of $3,000.

0:24:42 also the St. Croix office has a petty cash fund of three thousand dollars now to make sure that there's adequate controls in place we would require two signatories shall be required on all checks before all disbursements uh are made it shall be initial by the requesting manager and those requests will be approved by myself or designated senior management prior to the preparation of a check uh monthly reconciliation obviously would be prepared and the custodian would submit for review to the office of the administrator designated senior management um the policy shall be administered in accordance with the established petty cash policy uh so we are asking for this the bank requires a resolution from the board to set up the account the reason why we before you today to request um approval of this petty cash fund to the chair mr nips you said 1500 is that sufficient enough that is sufficient enough now let's start it off with that because this is something new these individuals are new to the game so um i i think we should limit it to this amount if we see that there uh there's an increase or need for an increased reward but uh coming before the policy committee shortly would be uh revision to the corporate uh card policy because uh when i came my corporate card was mainly limited to travel expenses however now we are using that card because of technology most vendors don't want cash or check so we we i think that the amount $1,500 is enough. Right now we're using my card sometimes to make purchases, but I'm going to refrain from doing that to give them the autonomy to make decisions in regards to the petty cash fund. But I think we should limit it right now to this amount. Like I said, the main office, 0:26:46 the main office has been taking the brunt of it because what happens is the day that they'll ask to a request i they would have to i would have to sign a check or if it's under a hundred thousand a hundred dollars miss uh cashier can sign it but i have to approve the the or authorize the purchase first then a check would have to be cut either someone from heaven side mode would have to come down through the traffic to pick up the check or we would have to send a messenger to pick up the check which is very inefficient still um we're asking for this approval of this for efficiency and timely operation of the office please thank you um questions i i have no um i don't have any i i don't have an issue that either my initial thought when i read it um was miss same as trustee smith that was a low number but upon your explanation i you know i yield to your judgment on that so uh it's clearly clearly inefficient yeah and once the country was in place i'm good with it so i'm prepared to support the resolution thank you this chair would like to make a motion for the approval of the petty cash fund for the the site mall in the amount of $1,500.

0:28:20 Moved by Trustee Smith, can I get a second? Second. Moved by Trustee Smith, seconded by Trustee Bowery. I'm going to roll comments. Trustee Bowery? Yes. Trustee Dorsey? Absent Trustee Liger? let's be likeer absent trustee mcdonnell absent trustee russell mr russell uh just call me by california said that he lost his internet connection trustee smith yes jannon calwood yes uh we need another another trustee to pass this resolution mr trustee liger okay let's recess for two minutes let me try to find out um Okay, we're back on the record. I believe Mr. Lager is done.

0:30:34 just one second now let me Thank you.

0:31:34 okay we're voting on the approval of the petty cash fund oh my vote is yes thank you mr chairman four years three absent all right thank you um the next item on the agenda was unfinished business in reference to the administrator search asked to have this put on the agenda we we posted the position we're going to have it posted for a period of three weeks based on some interests local interests that was expressed in the position subsequent to the spv uh we believe that the search firm is no longer needed so um the ceo will be setting up a meeting with the trustees in a few days so that we could iron out the specifics but i just wanted it on the agenda to um let it be known that we posted the position and if we post for a period of three weeks i think we started on march 1st so we posted until the 21st You see you started on March 1st, so you went on to social media on March 1st? Correct.

0:33:01 So I haven't seen anything in the details. You said just locally or internationally as well? No, we just did locally since subsequently the SDGs. So if you can edit qualified candidates at this time that we don't need a so. So yeah, so we'll be having a meeting set up in a few days so that we could get the trustees who would add all the details. Any questions from any other trustees?

0:33:45 Okay. Can I have a motion to go into executive session? So moved. Ms. Chawla can make a motion to go into executive session to hear matters pertaining to trade secrets or financial or martial information or personal or legal matters, or matters whose premature disclosure will frustrate implementation of the proposed agency action. can i get a second second removed by trustee smith seconded by trustee laiga canada will come yes trustee dorsey absent trustee laiga yes trustee mcdonnell absent trustee russell Trustee Russell absent. Trustee Slater? Yes. Chairman Calwood? Yes. Four yes, three absent.

0:34:57 Okay, we'll allow a few minutes to do what needs to be done, and then we'll do five minutes. so we recess for five minutes and we'll reconvene in our executive session okay we're not in regular session uh during executive session the board discussed legal matters um in addition to matters relating to uh aversight property and waiko motion since there are no other um questions i would like to make a motion to adjourn have a second second all right move by motion to adjourn moved by trustee smith seconded by trustee liger can have our vote up trustee barry yes to go see absent trustee liger yeah trustee mcdonnell absent trustee russell absent trustee smith yes jermaine carwood yes four years three absent all right this meeting for march special meeting of the drs board for for March 2nd, 2023 is here by Ajon.

0:36:17 Thank you very much, ladies and gentlemen. Enjoy the rest of the day.

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 Andre Dorsey**
heard in this transcript as: Dorsey

2x **Trustee Ronald Russell**
heard in this transcript as: Russell

2x **Trustee Vincent Liger**
heard in this transcript as: Liger