

## FSMSS Board of Trustees Convenes for 1st Meeting of 2007

On the 5th and 6th of March, 2007, the FSM Social Security Board of Trustees convened on Pohnpei for their 1st Regular Board Meeting of the year.

Attending the meeting were Chairman of the Board and Pohnpei Representative, Jack E. Yakana; Vice-Chairman and at-large member, Nahoy G. Selifis; Yap Representative, Charles L. Chieng; and ex-officio member, Administrator Alexander R. Narruhn.



The main agenda item of the meeting was the budget for calendar year 2007. The law mandates a budget ceiling of 11% of the projected income

for the year. The approved budget for calendar year 2007 is \$1,039,581 which is 8.7% of the projected income.

The administrator presented to the board financial statements for the year 2006. He revealed that \$957,805.83 in delinquent taxes were collected for the duration of 2006. Total tax collections amounted to \$11.9 million while benefit payments came in at \$12.6 million. Mr. Narruhn brought the board's attention to the fact that payments now outpaced collections. Since the nature of the social security program required collections to be greater than payments in order to survive, the situation was not a feasible one.

On the second day of the meeting, the board met with its investment portfolio's money managers through a teleconference held in the Telecommunications office building. Through the teleconference, the board met with the FSMSSA's investment consultant, Smith Barney, represented by Daniel Roland. Investments for the year 2006 turned out better than expected. By December 31, 2006, the portfolio had seen a gain of \$4.18 million bringing its total value to \$42.6 million.

In other areas, the board extended the Deputy Administrator's contract for another two years. The Deputy Administrator, Dernista I. Capelle, had served diligently and the board was confident in its decision to extend her contract.

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