

FSMSS Board of Trustees Convenes for 1st Regular Meeting

On February 13, 2009 the FSM Social Security Board of Trustees convened in Pohnpei for its first regular meeting of calendar year 2009.

New to the board were Rose Nakanaga representing Pohnpei State and Jefferson Timothy representing the State Of Kosrae. They joined the mainstays which comprised of Chairman and Representative of the National Government, Nahoy G. Selifis; Vice Chairman and Representative of Chuuk, Garrison Irons; and Charles Chieng, representative of Yap State. The meeting was also attended by



Administrator Alexander R. Narruhn who serves as ex officio member on the board and the Deputy Administrator, Dernista I. Capelle

After welcoming the new members, the board proceeded to vote in Garrison Irons as the new Chairman of the Board and Rose Nakanaga as the new Vice Chairman of the Board. With a full quorum, the board went ahead with its first major item on the agenda and reviewed the financial statements for calendar year 2008. The Administrator revealed to the board that calendar year 2008 saw a collections total of \$14,063,253.79 while benefit payments totaled to \$14,254,022.11. This continued the trend of benefit payments outpacing collections. Administrative expenses for the year came in at \$993,641.17. The administrator was happy to report to the board that calendar year 2008 was an exceptionally good year for delinquent tax collections. A total of \$3,666,077.53 was collected during the year, the highest annual delinquent tax collection since the tax division's inception.

The board holds an investment conference at the beginning of every year to coincide with its first board meeting. As such, representatives from the FSMSSA investment consultant and money managers attended the meeting to provide the board with pertinent information concerning the current status and outlook of its investment portfolio. This issue was especially important to the board due to the current state of the U.S. economy where the portfolio is invested in. At the end of 2007, the portfolio's investments had been valued at \$43.4 million. The FSMSSA's investment consultant, Smith Barney, was represented by Dan Roland and Jason Miashita and they revealed that as of December 31, 2008 the investment portfolio's market value was at \$33.8 million. This bleak outlook was shared by the money managers of the portfolio. However, optimism was present in the new U.S. administration and the steps they have already taken in addressing the economic crisis.

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