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New WAPA CEO Hasn't Responded to G.E.R.S. Letter Offering WAPA Plan to Pay Employer Contributions Owed to Pension System

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Andrew Smith was announced as WAPA's new CEO on Jan. 10, 2022

The Government Employees' Retirement System Board of Trustees at its Thursday meeting approved a motion for G.E.R.S. management to reach a settlement with WAPA over its failure to pay outstanding contributions that WAPA deducted from employees salaries but has not remitted to the pension system. The settlement also seeks to cover unpaid employer contributions.

An approved motion during the meeting extended the previous deadline of February 26 that WAPA was given to pay, by 30 days, meaning the authority now has until the end of March to come current.

The total amount owing is \$1.9 million, including \$1.7 million for employee contributions and \$232,449 for employer contributions. An official letter was sent to Andrew Smith, the recently appointed executive director of WAPA seeking a resolution through a payment plan. G.E.R.S. as of Thursday had yet to receive a response, according to Austin Nibbs, G.E.R.S. CEO and administrator.

The original letter which is dated February 16, provided a deadline date of February 26 for the outstanding funds to be paid. When trustees inquired about filing a lawsuit, Mr. Nibbs expressed reluctance to take the matter to court based on an experience ten years ago.

“I am very reluctant to go the court route with WAPA because ten years ago a lawsuit was filed and the court sent us to mediation and that is where it was settled,” Mr. Nibbs said while pointing out that the greatest concern is over the employee contributions WAPA owes to G.E.R.S.

“He must pay the employer contribution...He knows that they are wrong, especially with employee deductions. My concern is the employee deductions at this time and a payment plan for the employer deduction,” said Mr. Nibbs who pointed out that it's wrong for any employer to make deductions from employees' salaries and fail to pass it on to the pension system.

In providing justification for the extension, G.E.R.S. Board Chairman Nellon Bowry reminded board members of WAPA's precarious financial situation, and said an agreement with the authority would be preferred over litigation.

“I will recommend that as a board we modify the directive we gave to Mr. Nibbs affording him some time to work something out with the new executive director,” Mr. Bowry said.

Mr. Nibbs then suggested a further 30 days but reminded the board that he has already offered Mr. Smith a payment plan and as of Thursday had not received a response.

The board voted in favor of the 30-day extension.

Despite the extension approval, board member Andre Dorsey made it clear he is of the view that nothing will change by the end of the 30 days. He believes that there is a management issue at WAPA and not a shortage of funds. "They have money, they are just deciding what they're going to pay; they are squeezing us," he said.