

**EMPLOYEES RETIREMENT SYSTEM  
OF THE GOVERNMENT OF THE VIRGIN ISLANDS  
REGULAR MEETING OF THE BOARD OF TRUSTEES**

**St. Croix GERS Boardroom/St. Thomas GERS Conference Room  
Thursday, April 25, 2019  
9:30 am**

**\*\* AGENDA \*\***

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Secretary's Minutes (Regular: 03/28/19)
- V. Communications and Correspondences
- VI. Chairperson's Report
- VII. Administrator's Report
- VIII. Committee Reports
- IX. Treasurer's Report
- X. Investment Officer's Report
- XI. **EXECUTIVE SESSION**

***This portion of the meeting will be closed to the public for matters pertaining to trade secrets / or financial or commercial information***

A. Unfinished Business

(i). LSAR

- XII. Privileges of the Floor
- XIII. Adjournment

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING  
APRIL 25, 2019**

The Regular Meeting of the Board of Trustees was held in the St. Thomas (STT) conference room, and by video teleconference (VTC) to the St. Croix (STX) boardroom. The meeting was called to order at 9:44am. At roll call, all Trustees were present except Trustees Cohen and Smith, who were recorded as absent. Trustees Liger and McDonald participated by VTC from the STX boardroom. Trustee Smith called in late at 10:38am.

Staff in attendance on STX: Austin Nibbs, Administrator, Cathy Smith, General Counsel, and Nikia Coley, Administrative Assistant to the Board. Ishmael Meyers, Deputy General Counsel, Denise Jeremiah, Acting CFO, Glenville Henderson, Investment Analyst, Asiah Clendinen, Strategic Planning and Organizational Development Officer, and Sakeeda Freeman, Communication Member Education Specialist.

Present in the meeting on STT were Pedro Williams, Board Counsel. Present in the STX office was Diane Andrews, stenographer.

Media present in the meeting in STT A.J. Rao (VI Daily News) and in STX Shenette Canegata (V.I. Consortium).

**Comments and Suggestions from Retirees**

STT – Gustave Dowling. STX – None.

Gustave Dowling stated that he's a retired fire inspector who retired 10 years ago.

- 1). Wanted to know if the Board would be in opposition to legislation for \$3 million be set aside annually in a money market account for doomsday – to assure that retiree's annuities will not be reduced. Stipulated that the funds should not be comingled.
- 2). Would the Board be willing to issue loans at the level of 25% of contributions instead of 75%?

**Secretary's Minutes**

Motion made by Trustee Callwood and seconded by Trustee Liger to approve the secretary's minutes for the regular meeting for March 28, 2019. Motion passed 4 yes, 2 absent (Cohen and Smith), and 1 abstain (McDonald).

**Communications and Correspondences.**

- 1). Letter from administrator dated April 8, 2019 to WAPA Executive Director Lawrence J. Kupfer – requesting payment of the outstanding employee and employer contributions (estimated) from December 27, 2018 through March 21, 2019 pay dates in the amount of \$2,167,447.16.
- 2). Letter from WAPA Executive Director Lawrence J. Kupfer dated April 12, 2019 transmitting a check in the amount of \$1,872,823.66 for outstanding employee and employer contributions for payroll periods ending January 10, 2019 through March 21, 2019.
- 3). Letter from Donna Frett-Gregory, Chairperson, Committee on Finance dated April 16, 2019 requesting GERS attendance on May 7, 2019 to provide testimony on Bill No. 33-0031, an Act amending title 3, chapter 25, subchapter VI, section 581 of the VIC relating to vacation payments for retiring teachers and other school personnel.

Trustee Callwood voiced her support of the Bill. However, she recommended using accumulated sick leave as the advance. The System position is – the Department of Education needs to expedite the retirement NOPA process by process the retirement NOPA no more than 30 days after retirement.

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**Chairperson's Report.**

1). Spoke to the St. Croix retiree group on March 19<sup>th</sup>. 2). Only 10 retirees showed up. 3). Discussion from retirees surrounded the System got where it is because of bad investments. 4). Thanked Vice Chair Callwood for chairing the March meeting.

**Administrator's Report.**

**Presentations, Appearances, and External Meetings and Other**

A significant amount of time was spent between April 4<sup>th</sup> and April 17<sup>th</sup> with the LSAR and Ensign Peak legal issues.

- 1) April 4<sup>th</sup> – Meeting with senator Dwyane De Graff.
- 2) April 4<sup>th</sup> – Meeting with Jack Pickel Re: CHRIS.
- 3) April 24<sup>th</sup> – Attended the CNW LLC board meeting.

**RECONCILIATION AND CONTROL**

**Deduction Files**

Deductions files received through 4/11/19 pay date. Files are posted up to pay date 3/28/19.

**Payments**

All payments received from the central government through pay date 4/11/19.

**V3 Update**

Total Issues Pending – 202

GERS – 148

Vitech - 54

**MEMBER SERVICES**

**ACT No. 7261 - Virgin Islands Economic Stability Act – VIESA No Update.**

**ACT No. 7128 (2010) No Update.**

**Refunds**

January 1, 2019 – March 30, 2019:

Total number of cases – 310 (Carried over 271 from CY 2018). Regular (non-vested) 211.

Number of cases completed – 63. Regular (non-vested) 24.

Number of cases pending – 247 Regular (non-vested) 212

Total dollars refunded (1/1/19 – 3/30/19) - \$1,501,074.53. Regular (non-vested) \$1,363,890.69.

# GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

## MINUTES BOARD OF TRUSTEES REGULAR MEETING

### APRIL 25, 2019

**Retiree Applications Received/Annuities Paid** - Includes both SAA and Central Government.

	<b><u>Calendar Year</u></b>								
	2012	2013	2014	2015	2016	2017	2018	2019	Total
STX	-	-	-	147	112	118	182	34	
STT	-	-	-	<u>147</u>	<u>163</u>	<u>127</u>	<u>218</u>	<u>50</u>	
Total	-	-	-	<u>294</u>	<u>275</u>	<u>245</u>	<u>400</u>	<u>84</u>	
Remaining	1	1	0	<u>2</u>	<u>7</u>	<u>18</u>	<u>142</u>	<u>76</u>	<u>247*</u>

\*As of April 30, 2019.

### **ACCOUNTING**

#### **Annuity Payments**

- Number of retirees as of April 15, 2019 payroll - **8,615**
- Total Annuity Payments - October 1, 2018-April 15, 2019- **\$135,082,898.36 (w/Pensioners)**
- Retirees added to payroll from October 1, 2018 – April 15, 2019 -**265**
- Retirees added to payroll for April 15, 2019 payroll – **16**
- Retirees expected to be placed on the April 30, 2019 payroll - **25**
- Retirees deleted from payroll from October 1, 2018 -April 15, 2019 -**164**
- Gross payroll for the April 15, 2019 payroll - **\$10,453,851.06**

#### **Member Loans (Units) – As of March 31, 2019**

Personal Loans – 5,292

Mortgage Loans - 99

Total Loans – 5,391

### **Buildings.**

#### **White House at Havensight**

Pending elevator replacement and follow up termite treatment.

#### **Other Properties**

##### **St. Thomas**

Custom Builders is currently working on the 3<sup>rd</sup> Floor westside exterior skin of the building that was compromised during the Hurricanes. Second Floor exterior work is scheduled to begin shortly. No update on when the other repairs and replacements will begin.

##### **St. Croix**

New quote received from WW Construction Corporation for the three buildings for hurricane damage repairs. Quote does not include fencing.

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**Rental Collections - Exhibit A**

	<b>March 2019</b>	<b>Total FYTD</b>	<b>Arrearages</b>
Rental	\$109,403.43	\$722,685.81	\$29,503.44 (1)
Electric	1,263.17	284,297.90	162,788.31 (2)

(1) DOP paid rent arrearage of \$13,189.44 in April.

(2) DOP paid electrical arrearage of \$23,361.67 in April.

**Insurance Claims**

**Follow up.**

GERS continues to work with FEMA on Category E Permanent Work Claims for GERS Complex on St. Thomas and St. Croix and the Havensight Mall.

**New Development.**

FEMA has determined that all Category A work done by WICO on the behalf of GERS should fall under GERS' Project Worksheets and not WICO's. We are working through this new determination.

**IT  
V3**

- Problems are still being experienced with the load balancers, which mediate user access to the V3 production environment. IT has communicated with a refurbished equipment seller in Europe regarding purchasing of refurbished hardware.
- IT has started use of the iDrive cloud backup solution which will backup copies of the V3 production database to the iDrive cloud system. A local copy of the backup is also made.
- As stated before, the V3 hardware systems are end-of-life. Discussions were resumed with Vitech regarding migrating the system to their cloud.

**Network Operations**

- The enterprise UPS system has been installed and brought online. Testing of the system will continue through the end of April

**IT Projects**

- The rollout of the new PC desktops for both offices is approximately 95% complete. On the island of St. Croix, all users have been upgraded. Other locations will be installed during May. Most of the St. Thomas end-users have received the new computers. There are a few computers awaiting installation due to legacy software issues.
- GERS software-to-the-cloud projects are moving forward. Copies of the production data have been sent to the SouthEast Computers for testing. The go-live date is still targeted for end of June 2019.

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**Annual Board Retreat**

Unable to secure meeting space on both St. John (Westin) and St. Thomas Margaritaville and Great Bay). Inquiry has been made to determine if Carambola will be available.

**60<sup>th</sup> Anniversary - October 1, 2019**

Planning Stage.

Questions:

Trustee Maynard. – How many new hires to replace the no vested members that are leaving? Response – Not available. Will provide – preferably on a quarterly basis.

Trustee Callender – Have you met with the new heads of the DOP and DOJ regarding outstanding payments? Response – Appointment with DOP was cancelled by DOP Director. New meeting dates are being considered. Plan to contact the DOJ nominee for an appointment.

**COMMITTEE REPORTS**

**Investment Committee** – (Maynard)–Committee meeting scheduled for April 29<sup>th</sup>. Development Committee–(Smith) None. Policy Committee (Callwood)–Completed Personnel Handbook. Two other policies remaining for review. Medical Review (Callender)–None.

**Treasurer's Report**

Denise Jeremiah, Acting CFO read the treasurer's report into the record.

The March 31, 2019 report shows receipts and collections for the month of March 2019 in the amount of \$19,188,903 and disbursements in the amount of \$23,813,561, for a net cash deficit of \$4,624,658. The FYTD 2019 receipts and collections are \$109,469,510 and FYTD 2019 disbursements are \$143,073,838, for a net FYTD cash deficit of \$33,604,328. Motion made by Trustee Callwood and seconded by Trustee McDonald to accept the Treasurer's Report for March 31, 2019. Motion passed 6 yes and 1 absent (Cohen).

**Investment Officer's Report**

Glenville Henderson, Investment Analyst reported: Ending Market Value of the Plan as of March 31, 2019 is \$658.5 million (excludes member's loans and the office complexes). For the month of March, the Total Plan returned 1.1% and underperformed its benchmark by 40 bps. Total Equity returned 1.4% and underperformed its benchmark by 10 bps. Total Fixed Income returned 1.4% and underperformed its benchmark by 60 bps. Total Alternative returned 0.1% and underperformed its benchmark by 210 bps. Raised \$15 million in the month of March.

**Regular Session**

Motion made by Trustee Maynard and seconded by Trustee Callwood to add to the agenda in executive session (A) New Business – Legal issue – WICO. Motion passed 5 yes and 2 absent (Cohen and Smith).

Motion made by Trustee Callwood and seconded by Trustee McDonald to go into executive session. Motion passed 5 yes and 2 absent (Cohen and Smith).

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**Executive Session**

Motion made by Trustee McDonald and seconded by Trustee Liger to come out of executive session.  
Motion passed 5 yes and 2 absent (Cohen and Smith).

**Regular Session**

Motion made by Trustee McDonald and seconded by Trustee Liger to respond to the V.I. Carnival Committee's request to use the Havensight Mall for the final calypso competition by requiring:  
1). \$1,000 fee (non-refundable). 2). \$2,000 security deposit (refundable). 3). Increase liability insurance by \$1 million to \$2 million with provision to hold WICO and GERS harmless. Motion passed 4 yes, 1 no (Callwood), and 2 absent (Cohen and Smith).

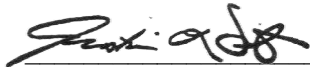
Motion made by Trustee McDonald and seconded by Trustee Liger to not release non debtors from the AP agreement and request for an additional \$2 million to the GERS, and if not in agreement, walk away.  
Motion passed 4 yes, 1 no (Callwood), and 2 absent (Cohen and Smith).

**Privileges of the Floor.** None.

**Adjournment.**

Motion made by Trustee McDonald and seconded by Trustee Liger to adjourn. Motion passed 5 yes, 2 absent (Cohen and Smith).

The was meeting adjourned at approximately 1:15pm.



Austin L. Nibbs, CPA, CGMA  
Administrator/CEO  
Secretary, GERS Board of Trustees