

**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, February 28, 2019
9:30 am**

**** AGENDA ****

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Secretary's Minutes (Regular: 01/14/19)
- 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. REGULAR SESSION

- A. Unfinished Business
 - (i). Approval of FY 2019 Budget
 - (ii). Approval of Employee Handbook

XII. 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. New Business
 - (i). Ratify Poll Vote on Carambola Amendment
 - (ii). WICO Management Agreement Renewal
 - (iii). East End Clinic

- XIII. Privileges of the Floor
- XIV. Adjournment

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
FEBRUARY 28, 2019**

The Regular Meeting of the Board of Trustees was held in the St. Croix (STX) boardroom and by video teleconference (VTC) to the St. Thomas (STT) conference room. The meeting was called to order at 9:54am. At roll call, all Trustees were present except Trustee McDonald who was absent. Trustee Maynard participated by VTC from the STT office. Trustee Callwood participated via telephone.

Staff in attendance on STX: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Evelyn Venner Potter, COO, and Nikia Coley, Administrative Assistant to the Board. In attendance on STT and participating via VTC: Ishmael Meyers, Deputy General Counsel, Denise Jeremiah, Acting CFO, Glenville Henderson, Investment Analyst, and Lorraine Gumbs-Morton, Director, Communications and Member Education.

Also, present in the meeting on STX were Pedro Williams, Board Counsel and in STT via VTC - Desiree Smith-Hill, stenographer.

Media present in the meeting on STX – Brandy Brookes (AVIS).

Comments and Suggestions from Retirees

Retirees in attendance: STX – Mary Moorehead. STT – Gustave Dowling.

Mary Moorehead representing the STX Government Retirees, Inc. reported a request to the senators to suspend the annuity for members who are incarcerated. Attorney Smith to assist in drafting the language for the Bill.

Secretary's Minutes

Motion made by Trustee Cohen and seconded by Trustee Liger to approve the secretary's minutes for the regular meeting for January 14, 2019. Motion passed 6 yes, 1 absent McDonald.

Communications and Correspondences.

1). Letter dated February 21, 2019 addressed to the Chairman of the Board of Trustees from the VI Inspector General thanking him for meeting to discuss the objectives of the planned inspection of the GERS Loan Program regarding VI Finest Foods, LLC. 2). Letter dated February 21, 2019 addressed to the Chairman of the Board of Trustees from the VI Inspector General thanking him for meeting to discuss the objectives of the planned inspection of Retiree Re-employment by the Government of the Virgin Islands.

The Chairman commented that the scope of the planned inspection in the correspondences above were not what the IG expressed in the meeting.

Chairperson's Report.

Chairman Callender reported: 1). Received a refund of contribution inquiry from a member. 2). Received a request (solicitation) from another litigation attorney (Wolf). 3). He was asked to speak at the STX retirees monthly meeting in March.

Administrator's Report.

Presentations, Appearances, and External Meetings and Other

- 1). January 27th – 30th – Attended NCPERS Legislative Conference – Washington, DC.
- 2). February 6th – Meeting with Dr. Davies – UVI Re: Potential investment opportunities.
- 3). February 8th – Meeting with WICO management and the Havensight Mall Oversight

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Committee Re: Gourmet Gallery. **4).** February 19th – Meeting with Governor with Actuaries. **5).** February 20th – Meeting with the 33rd Legislature – GERS Orientation. **6).** February 21st – Meeting with the V.I. Inspector General. **7).** February 23rd – Guest on Jamila Russell’s Show “Just Jamila”- WSTX 970 AM. **8).** February 25th – Evidentiary Hearing in District Court Re: GERS vs. GVI. **9).** February 26th – Press Release Issued Re: Availability of the 2018 Annual Benefit Statement. **10).** February 27th – Guest on Holland Redfield Show. **11).** February 27th – Attended CNW LLC Board Meeting.

RECONCILIATION AND CONTROL

The GVI-DOF is up to date with remitting deductions for pay date February 14, 2019. The GVI-DOF deductions are posted through pay date January 31, 2019.

MEMBER SERVICES

Unaudited Estimated Prior Periods Missing Employer and Employee Contributions based on Annual Benefit Statements as of December 31, 2018.

- **Prior periods employer missing contributions** (excludes lost investment/delinquency fee)- **\$66.8 million.**
- **Prior periods employee missing contributions** ((excludes lost investment/delinquency fee)-**\$38.0 million.**

\$19 million was appropriated in the miscellaneous section of the FY 2019 budget of the Government of the Virgin Islands for prior periods employer missing contributions. We are billing the central government and the autonomous agencies for prior periods missing employer contributions for each bi weekly retiree payroll. We have discussed quarterly allotments with the new Acting OMB Director. She has responded favorably to quarterly allotments beginning with the 3rd quarter.

When final determination is completed re: GERS vs GVI, we will begin invoicing the central government and the autonomous agencies annually for outstanding employer contributions.

Virgin Islands Economic Stability Act – VIESA (ACT 7261). No Update.

Act No 7128 (2010) No Update.

Refunds

January 1, 2019 – January 31, 2019:

Total number of cases – 282 (Carried over 189 from CY 2018). Regular (non- vested) 252.
Number of cases completed – 29. Regular (non-vested) 24.
Number of cases pending – 253. Regular (non-vested) 228
A total of 220 cases were carried over from CY 2018.
Total dollars refunded (1/1/19 – 1/31/19) - \$406,820.21. Regular (non-vested) \$392,900.08.

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Member Services (Continued)

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

	<u>Calendar Year</u>								
	2012	2013	2014	2015	2016	2017	2018	2019*	Total
STX	-	-	-	147	112	117	180	6	
STT	-	-	-	<u>148</u>	<u>163</u>	<u>128</u>	<u>214</u>	<u>16</u>	
Total	-	-	-	<u>295</u>	<u>275</u>	<u>245</u>	<u>394</u>	<u>22</u>	
Remaining	1	1	0	<u>3</u>	<u>9</u>	<u>24</u>	<u>193</u>	<u>22</u>	<u>253</u>

*As of January 1, 2019

ACCOUNTING

Annuity Payments

- Number of retirees as of January 31, 2019 payroll - 8,597
- Total Annuity Payments - October 1, 2018-February 15, 2019- \$93,334,626.94
(w/Pensioners)
- Retirees added to payroll from October 1, 2018 – February 15, 2019 -191
- Retirees added to payroll for February 15, 2019 payroll - 10
- Retirees expected to be placed on the February 28, 2019 payroll - 22
- Retirees deleted from payroll from October 1, 2018 -February 15, 2019 -110
- Gross payroll for the February 15, 2019 payroll - \$10,405,916.11.

Member Loans Portfolio

Remaining Personal Loans as of 1/31/19 – 5,504

Remaining Mortgage Loans as of 1/31/19 - 100

Total Loans Remaining 1/31/19 – 5,604

BUILDINGS

STX Complex. No significant updates. Summary was provided as Exhibit A to the Administrator's Report.

RENTAL COLLECTIONS AND ARREARAGES

	January 31, 2019	Total FYTD	Arrearages
Rental	\$40,679.87	\$498,413.89	\$88,093.00 (1)
Electric	44,019.54	\$278,585.19	\$90,848.73 (2)

(1). 98% Department of Justice.

(2). 84% Department of Justice.

Summary was provided as Exhibit B to the Administrator's Report.

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INSURANCE CLAIMS

The final Category B Claim from FEMA was issued for \$275,012.00. We are awaiting the delivery of the check from VITEMA who signed for it from December 17, 2018.

Currently, the GERS is continuing its efforts to work closely with FEMA on Permanent Work for all our buildings including reimbursement for insurance deductions, other eligible expenses, and possible building mitigations.

IT Update.

Detailed summary was provided as Exhibit C to the Administrator's Report.

COMMITTEE REPORTS

Policy (Callwood) – Personnel Handbook is on the agenda. for consideration. **Investment (Maynard)** – No report. **Medical Review (Callender)** – Met on February 20th on STX. Pending a decision. **Budget (Callender)** – FY 2019 budget on agenda for approval.

Treasurer's Report

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

The January 31, 2019 report shows receipts and collections for the month of January 2019 in the amount of \$22,171,327 and disbursements in the amount of \$23,120,077, for a net cash deficit of \$948,750. The FYTD 2019 receipts and collections are \$59,265,282 and FYTD 2019 disbursements are \$95,664,932, for a net FYTD cash deficit of \$36,399,650. Motion made by Trustee Callwood and seconded by Trustee Cohen to accept the Treasurer's Report for January 31, 2019. Motion passed 6 yes and 1 absent (McDonald).

Investment Officer's Report

Glenville Henderson, Investment Analyst reported: Ending Market Value of the Plan as of January 31, 2019 is \$630.7 million (excludes member's loans and the office complexes). For the month of January, the Total Plan returned 2.6% and underperformed its benchmark by 330 bps. Total Equity returned 8.6% and outperformed its benchmark by 40 bps. Total Fixed Income returned 1.2% and outperformed its benchmark by 10bps. Total Alternative returned 0.6% and underperformed its benchmark by 770 bps. Trustee Smith mentioned that Blackrock's Manager Obie had resigned. GERS has not received an official notification.

Regular Session

Unfinished Business

Approval of FY 2019 Budget. Motion made by Trustee Smith and seconded by Trustee Liger to approve the FY 2019 Budget in the amount of \$16,133,650 (Administration and Operations - \$12,606,447, Facility Property Management - \$2,567,203, and Capital Outlay - \$960,000). Motion passed 6 yes and 1 absent (McDonald).

The agenda item – Approval of Employee Handbook was returned to the Policy Committee for review of the changes made by the Board Counsel.

Motion made by Trustee Cohen and seconded by Trustee Smith to go into executive session. Motion passed 6 yes and 1 absent (McDonald).

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Executive Session

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


Regular Session

Motion made by Trustee Smith and seconded by Trustee Maynard to ratify the Carambola Amendment to amend the Asset Purchase and Sale Agreement. Motion passed 6 yes and 1 absent (McDonald).

Privileges of the Floor. None.

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

The was meeting adjourned at approximately 12:50pm.


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