

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

**St. Thomas GERS Conference Room/St. Croix GERS Boardroom
Monday, January 14, 2019**

9:30 am

**** AGENDA ****

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Secretary's Minutes (Regular: 12/20/18)
- 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. New Business
 - (i). Selection of New Officers
 - (ii). Amend 2019 Board Calendar

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. Unfinished Business
 - (i). Carambola Matters

- XIII. Privileges of the Floor
- XIV. Adjournment

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
JANUARY 14, 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 9:42am. At roll call, all Trustees were present except Trustee McDonald who was absent. Trustee Liger and Cohen participated via VTC from the STX boardroom.

Staff in attendance on STT: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Ishmael Meyers, Deputy General Counsel, Denise Jeremiah, Acting CFO, Evelyn Venner Potter, COO, Glenville Henderson, Investment Analyst, and Sakeeda Freeman, Communication and Member Education. Nikia Coley, Administrative Assistant to the Board participated from the STX boardroom via VTC.

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

No media was present in the meeting on STT or STX.

Comments and Suggestions from Retirees

No retirees were in attendance in the STT or STX offices.

Secretary's Minutes

Motion made by Trustee Callwood and seconded by Trustee Cohen to approve the secretary's minutes for the regular meeting for December 20, 2018. Motion passed 5 yes, 1 not voting (Smith), and 1 absent (McDonald).

Communications and Correspondences.

None.

Chairperson's Report.

Chairman Callender reported on meeting with Governor Bryan on January 10th: 1). Six board members attended the meeting with Governor Bryan and two of his staff. 2). The administrator presented financial information on the health of the GERS. 3). First thought it would have been a meet and greet. The Governor accepted our recommendations. 4). One of our recommendations was having regular meetings with the financial team.

Trustee Liger stated that we are looking forward to a better relationship with the Governor than in the past.

Administrator's Report.

Presentations, Appearances, and External Meetings and Other

- 1). January 7th - Invited and attended the Inauguration Ceremony.
- 2). January 10th - Meeting w/Governor Bryan.
- 3). January 11th - Attended CNW LLC Board Meeting.
- 4). January 17th - Invited to the Roosevelt David's Radio Program.
- 5). January 22nd – To attend Carambola Beach Resort Owners Association Annual Meeting
- 6). January 27th – 30th – To attend NCPERS Legislative Conference – Washington, DC

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RECONCILIATION AND CONTROL

The GVI-DOF is up to date with remitting deductions for pay date January 3, 2019.
The GVI-DOF deductions are posted through pay date November 22, 2018.

V3 JIRA Issue Status Update as of December 31, 2018

1). Outstanding issues – 166. 2). GERS's responsibility – 76% (126 issues). 3). Vitech's responsibility – 24% (40 issues).

NOPA Project Status Update as of December 31, 2018

1). Overall status – 99%. 2). Central government – 99.6%. 3). Autonomous agencies – 98.4%
4). Focus – Data monitoring and updating.

MEMBER SERVICES

Unaudited Estimated Prior Periods Missing Employer and Employee Contributions based on Annual Benefit Statements as of December 31, 2017.

- **Prior periods employer missing contributions** (excludes lost investment/delinquency fee)-
\$72.2 million.
- **Prior periods employee missing contributions** ((excludes lost investment/delinquency fee)-**\$40.3 million.**

\$19 million was appropriated in the miscellaneous section of the FY 2019 budget of the GVI for prior periods employer missing contributions. We will continue to bill for each pay date until we can meet with the new OMB Director and Commissioner of Finance to agree to quarterly allotments going forward.

On January 3, 2019, a letter was sent to the Acting OMB Director and the Commissioner of Finance for prior periods missing employer contributions billings in the amount of \$229,038.63 for members who retired and are on the retiree payroll for January 15, 2019. As of today, we have not received the transfer of funds. The new retirees receiving their initial annuity payments will not be paid until we receive this allotment from DOF.

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

Act No 7128 (2010) No Update.

Refunds

January 1, 2018 – December 31, 2018:

Total number of cases – 899. Regular (non- vested) 614.
Number of cases completed – 679. Regular (non-vested) 425.
Number of cases pending – 220. Regular (non-vested) 189
Total dollars refunded (1/1/18 – 12/31/18) - \$7,629,863.02. Regular (non-vested) \$6,839,332.95.

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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	170	1	
STT	-	-	-	<u>148</u>	<u>163</u>	<u>128</u>	<u>196</u>	<u>2</u>	
Total	-	-	-	<u>295</u>	<u>275</u>	<u>245</u>	<u>366</u>	<u>3</u>	
Remaining	1	1	0	<u>4</u>	<u>9</u>	<u>28</u>	<u>202</u>	<u>3</u>	248

*As of December 31, 2018

ACCOUNTING

Annuity Payments

- Number of retirees as of December 31, 2018 payroll - 8,586
- Total Annuity Payments - October 1, 2018-December 31, 2018- \$62,109,710.50
(w/Pensioners)
- Retirees added to payroll from October 1, 2018 – December 31, 2018 -134
- Retirees added to payroll for December 31, 2018 payroll - 28
- Retirees expected to be placed on the January 15, 2019 payroll - 37
- Retirees deleted from payroll from October 1, 2018 -December 31, 2018 -21
- Gross payroll for the December 31st payroll - \$10,387,816.29

Member Loans Portfolio

Remaining Personal Loans as of 12/31/18 – 5,660

Remaining Mortgage Loans as of 12/31/18 - 100

Total Loans Remaining 12/31/18 – 5,760

BUILDINGS

STX Complex. No significant updates other than: 1). Repairs to the fence will commence as early as next week. 2). Ceiling repairs were completed. 3). Water infiltration on the NW side of the complex was corrected. Tenant has pointed out another water infiltration issue.

RENTAL COLLECTIONS AND ARREARAGES

	December 2018	Total FYTD	Arrearages
Rental	\$153,284.66	\$457,734.02	\$50,252.44
Electric	\$963.02	\$234,565.65	\$97,704.66

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Buildings (Continued)

Questions:

- 1). Callender. Did Casino Commission pay up their delinquency? Yes.
- 2). Cohen. Is electrical reimbursed to the GERS? Yes.

INSURANCE CLAIMS

The GERS is in receipt of the final settlement payment from our insurance company.

The outstanding claims are: 1) Business Interruption Claim for Havensight Mall. 2)

Category B Claim from FEMA for Generator use on St. Thomas for Hurricane Maria. We are working with both entities to finalize those claims.

IT Update.

- 1). Continue to be proactive in upgrading the V3 environment and infrastructure.
- 2). Focus – Storage Area Network (SAN), End of Life Hardware, and Hot Site Support from Vitech.

COMMITTEE REPORTS

Invest Policy. (Callwood) – Corrections sent to Attorney Williams over the weekend for review.

Investment. (Maynard) – requested an update on Gourmet Gallery. The administrator plans to meet with WICO shortly on addressing red lined draft of lease. Gourmet Gallery is willing to put up the funds to repair its roof. FEMA stated that all roofs in Mall needed to be removed. Will need to engage an architect/engineer to comment on if one side of roof can be repaired if the entire roof of the building needs to be removed. **Budget. (Callender)** – to meet after board meeting to review the FY 2019 budget.

Treasurer's Report

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

The December 31, 2018 report shows receipts and collections for the month of December 2018 in the amount of \$11,910,360 and disbursements in the amount of \$22,927,890, for a net cash deficit of \$11,017,531. The FYTD 2019 receipts and collections are \$37,093,955 and FYTD 2019 disbursements are \$72,544.855, for a net FYTD cash deficit of \$35,450.900. Motion made by Trustee Liger and seconded by Trustee Smith to accept the Treasurer's Report for December 31, 2018. Motion passed 6 yes and 1 absent (McDonald).

Investment Officer's Report

Glenville Henderson, Investment Analyst reported: Because of the early date of the board meeting, there was no detailed performance information report available. The Total Plan is down by 1.1%. The major contributor to this underperformance is the Equity portfolio.

Regular Session

New Business

- **Selection of New Officers.** Motion made by Trustee Liger and seconded by Trustee Callwood to allow the board officers to remain the same. Motion passed 6 yes and 1 absent (McDonald).

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Regular Session

New Business (Continued)

- **Amend 2019 Board Calendar.** No motion was made to amend. Suggested tentative dates of first 3 weeks in June or July. Administrator to request availability of Segal and Meketa.
- Motion made by Trustee Smith and seconded by Trustee Callwood to go into executive session. Motion passed 6 yes and 1 absent (McDonald).

Executive Session

- Motion made by Trustee Smith and seconded by Trustee Callwood to come out of executive session. Motion passed 6 yes and 1 absent (McDonald).

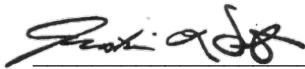
Regular Session

Privileges of the Floor.

Callender – Budget Committee meeting will take place after the board meeting.

Motion made by Trustee Callwood and seconded by Trustee Cohen to adjourn. Motion passed 5 yes, 1 no (Maynard), and 1 absent (McDonald).

The was meeting adjourned at approximately 11:54am.



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