

**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
Thursday, March 28, 2019
9:30 am**

**** AGENDA ****

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Secretary's Minutes (Regular: 02/28/19)
- 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. **REGULAR SESSION**
 - A. New Business
 - (i). Request to Change Frequency of Appraisal of GERS Properties
 - (ii). Ratification of Poll Vote to Consent to VI Finest Foods, LLC to Sublet the Upper Level of the Former West Bay Supermarket
- 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). WICO Management Agreement
 - (ii). GERS vs. Diplomat Pharmacy
- XIII. Privileges of the Floor
- XIV. Adjournment

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
MARCH 28, 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 9:46am. At roll call, all Trustees were present except Trustee McDonald, who was recorded as absent. Trustee Cohen and Liger participated by 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, Glenville Henderson, Investment Analyst, and Lorraine Gumbs-Morton, Director, Communications and Member Education Evelyn Venner Potter, COO, and Asiah Clendinen, Strategic Planning and Organizational Development Officer. Nikia Coley, Administrative Assistant to the Board participated via VTC from STX.

Present in the meeting on STT were Pedro Williams, Board Counsel and Desiree Francis, stenographer.

Media present in the meeting on STT – Brian O'Connor (VI Daily News).

Comments and Suggestions from Retirees

No retirees were present in both offices.

Secretary's Minutes

Motion made by Trustee Cohen and seconded by Trustee Smith to approve the secretary's minutes for the regular meeting for February 28, 2019. Motion passed 6 yes, 1 absent (McDonald).

Motion made by Trustee Cohen and seconded by Trustee Smith to amend the agenda to include the employee handbook on the agenda in regular session under unfinished business. Motion passed 6 yes and 1 absent (McDonald).

Communications and Correspondences.

1). Email dated March 18, 2019 from Meketa Investment Group announcing the merger of Meketa Investment Group and Pension Consulting Alliance. 2). Letter dated March 19, 2019 from GERS to Senator Dwyane M. DeGraff providing its opinion on Bill No. 33-0007 and Title 3 VIC, Section 1556.

Chairperson's Report. None.

Administrator's Report.

Presentations, Appearances, and External Meetings and Other

- 1) March 1st – Teleconference meeting with Stacey Plaskett, Delegate to Congress.
- 2) March 4th – Teleconference meeting with Jones Lang LaSalle.
- 3) March 6th – Testified at evidentiary hearing in District Court Re: GERS vs. GVI.
- 4) March 8th - Testimony before the Committee on Finance Re: Bill No. 33-0014.
- 5) March 14th – Teleconference meeting with Vitech (V3 software provider) Re: Outstanding issues.
- 6) March 18th – Guest on the radio program – JUST US.
- 7) March 21st – Meeting with Andre Wright, SIG (former GERS consultant).
- 8) March 22nd – Meeting with Port of Sale management.
- 9) March 27th – Attended CNW LLC Board meeting.

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RECONCILIATION AND CONTROL

Deduction Files

Central government's deductions files and payments received through 2/14/19 pay date.
 Central government (DOF-IT) to upload the deduction e-files for pay dates 2/28/19 and 3/14/19.
 Central government is posted up to pay date 2/14/19.

Payments

Central government has submitted deductions and employer contributions through pay date 3/14/19.

MEMBER SERVICES

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

ACT No. 7128 (2010) No Update.

Refunds

January 1, 2019 – February 28, 2019:
 Total number of cases – 361 (Carried over 257 from CY 2018). Regular (non- vested) 278.
 Number of cases completed – 90. Regular (non-vested) 67.
 Number of cases pending – 271 Regular (non-vested) 211
 Total dollars refunded (1/1/19 – 2/28/19) - \$1,183,081.56. Regular (non-vested) \$1,139,809.44.

Trustee Cohen inquired if the amount shown as total paid refunds non-vested) were actually paid out. Administrator responded –yes.

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	182	34	
STT	-	-	-	148	163	128	217	33	
Total	-	-	-	295	275	245	399	67	
Remaining	1	1	0	3	7	19	159	64	254*

*As of February 28, 2019.

ACCOUNTING

Annuity Payments

- Number of retirees as of March 29, 2019 payroll - 8,617
- Total Annuity Payments - October 1, 2018-March 29, 2019- **\$124,629,047.30**
(w/Pensioners)
- Retirees added to payroll from October 1, 2018 – March 29, 2019 -**249**
- Retirees added to payroll for March 29, 2019 payroll – **23**
- Retirees expected to be placed on the April 15, 2019 payroll - **14** / April 30th - **22**
- Retirees deleted from payroll from October 1, 2018 -March 29, 2019 -**148**
- Gross payroll for the March 29, 2019 payroll - **\$10,446,769.46.**

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Member Loans (Units) – As of February 28, 2019

Personal Loans – 5,418

Mortgage Loans - 99

Total Loans – 5,517

BUILDINGS

White House at Havensight

The Chairman received a letter from the Executive Director of the V.I. Legislature expressing an interest in renting the building. We are awaiting discussions.

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

RENTAL COLLECTIONS AND ARREARAGES

	February 2019	Total FYTD	Arrearages
Rental	\$114,868.49	\$613,282.38	\$66,566.44 (1)
Electric	4,449.54	283,034.73	128,099.46 (2)

(1). 56% - Department of Justice.

(2). 90% - Department of Justice.

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

INSURANCE CLAIMS

A total of \$436,035.20 was received for Category A & B Claims from FEMA. Category A & B covered pre hurricane readiness and immediate post hurricane operation and clean up.

GERS is currently working with FEMA to finish our Permanent Work (PW) and Disaster Damage Dimemnsions (DDD) for Category E (Permanent Work) in the Grants Portal for St. Croix and St. Thomas. The St. Croix PW will represent all three sites and the St. Thomas PW will represent the St. Thomas Building and Havensight. The 137 surveillance cameras for Havensight Mall were entered separately as PW.

IT Update.

Major focus is on replacement of aged PCs, servers, and upgrading of infrastructure and software. A detailed summary was provided as Exhibit C to the Administrator's Report.

COMMITTEE REPORTS

Investment Committee – (Maynard) No report. **Administrator read into record correspondences from Caribbean Hotel and Resort Investment Symposium (CHRIS) and Sedi Vision. Development Committee – (Smith)** None. **Policy Committee (Callwood)** – Personnel Handbook is on the agenda. for consideration. **Medical Review (Callender)** – None.

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Treasurer's Report

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

The February 28, 2019 report shows receipts and collections for the month of February 2019 in the amount of \$31,015,325 and disbursements in the amount of \$23,595,345, for a net cash surplus of \$7,419,979. The FYTD 2019 receipts and collections are \$90,280,607 and FYTD 2019 disbursements are \$119,260,277, for a net FYTD cash deficit of \$28,979,671. Clarification was provided for the \$25,584,728 shown as employer contributions. The amount includes \$21 million (three past due \$7 million payments) received from the Internal Revenue Matching Fund under Act No. 7261. Motion made by Trustee Smith and seconded by Trustee Maynard to accept the Treasurer's Report for February 28, 2019. Motion passed 6 yes and 1 absent (McDonald).

Investment Officer's Report

Glennville Henderson, Investment Analyst reported: Ending Market Value of the Plan as of February 28, 2019 is \$645.2 million (excludes member's loans and the office complexes). For the month of February, the Total Plan returned 2.3% and outperformed its benchmark by 20 bps. Total Equity returned 3.6% and outperformed its benchmark by 10 bps. Total Fixed Income returned -0.1% and underperformed its benchmark by 10 bps. Total Alternative returned 8.9% and outperformed its benchmark by 540 bps. No funds raised in February. Plan to raise \$15 million in the month of March.

Regular Session

Unfinished Business

Motion made by Trustee Callender and seconded by Trustee Liger to delete the word "elected" from the mission statement based on the board counsel's opinion. Motion passed 4 yes, 2 no (Cohen and Smith), and 1 absent (McDonald).

Motion made by Trustee Cohen and seconded by Trustee Callender to approve the Employee Handbook with corrected mission statement. Motion passed 5 yes, 1 not voting (Smith), and 1 absent (McDonald).

Motion made by Trustee Callender and seconded by Trustee Smith to change the frequency of appraisals of properties as recommended by the Administrator. Motion passed 6 yes and 1 absent (McDonald).

Motion made by Trustee Maynard and seconded by Trustee Smith to amend the agenda to move the ratification of poll vote for VIFF move to executive session because of financial and legal matters. Motion passed 6 yes and 1 absent (McDonald).

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

Executive Session

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

Regular Session

Motion made by Trustee Smith and seconded by Trustee Cohen to ratify poll vote to give consent to VIFF to sublet the second level of building to UVI. Motion passed 5 yes and 2 absent (Maynard and McDonald).

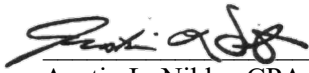
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Motion made by Trustee Smith and seconded by Trustee Cohen to approve the settlement offer from Diplomat Pharmacy. Motion passed 6 yes and 1 absent (McDonald).

Privileges of the Floor. None.

Motion made by Trustee Smith and seconded by Trustee Cohen to adjourn. Motion passed 4 yes, 2 no (Liger and Maynard), 1 absent (McDonald).

The was meeting adjourned at approximately 12:44pm.



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