

**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, May 16, 2019
9:30 am**

**** AGENDA ****

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Secretary's Minutes (Regular: 04/25/19)
- 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). Ratify Renewal of Board Counsel's Contract
- 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). Legal Matters
- XIII. Privileges of the Floor
- XIV. Adjournment

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
MAY 16, 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 Trustees Maynard, McDonald, and Smith who were recorded as absent. Trustees Liger and Cohen participated by VTC from the STX boardroom. Trustee Smith called in late at 10:04am.

Staff in attendance on STT: Austin Nibbs, Administrator, Ishmael Meyers, Deputy General Counsel, Denise Jeremiah, Acting CFO, Glenville Henderson, Investment Analyst, Lorraine Morton, Communication Member Education Specialist, and Evelyn Venner Potter, Chief Operating Officer.

Staff in attendance on STX: Nikia Coley, Administrative Assistant to the Board and Asiah Clendinen, Strategic Planning and Organizational Development Officer.

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

No media present in the meeting.

Retiree present in STT: Gustave Dowling.

Comments and Suggestions from Retirees - None.

Secretary's Minutes

Motion made by Trustee Liger and seconded by Trustee Callwood to approve the secretary's minutes for the regular meeting for April 25, 2019. Motion passed 3 yes, 1 not voting (Callender), 1 abstain (Cohen), and 2 absent (McDonald and Smith).

Communications and Correspondences.

1). Letter from Clifford Graham, President/CEO WICO dated April 30, 2019 to advise of delay in submitting Annual Business Plan. 2). Letter from Senator Donna Frett-Gregory, Chairman, Committee on Finance dated May 1, 2019 inviting GERS to give testimony on Bill No. 33-0042, which provides for \$10 of each operator's license renewal fee to be remitted to GERS towards the unfunded liability. 3). Memorandum to all department heads from the STT//Water Island Administrator dated May 7, 2019 regarding Governor's mission to clean up government properties and surroundings, and proper maintenance of the US and VI flags.

Questions.

Callender Re: 33-0042. Was GERS able to determine the benefit to the GERS as far as the number of operator's licenses that are renewed each year.? Answer - No.

Chairperson's Report. None.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

MINUTES BOARD OF TRUSTEES REGULAR MEETING

MAY 16, 2019

Administrator's Report.

Presentations, Appearances, and External Meetings and Other

- 1) April 26th – Met Jonathan Walk (JLL).
- 2). April 29nd – Meeting with Investment Committee.
- 3). May 7th – Appeared before the Committee on Finance Re: Bill No. 33-0031.
- 4). May 10th – Meeting with DOP nominee and staff.
- 5). May 15th – Attended CNW LLC board meeting.
- 6). To meet with DOP nominee and Commissioner of Finance Kirk Callwood on May 28th Re: Separation NOPAs and GERS issues concerning DOF.
- 7). Tentative dates have been shared with the AG's office to meet with the attorney general.

MEMBER SERVICES

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

ACT No. 7128 (2010) No Update.

Refunds

Cumulative for Calendar Year 2019 through April 30, 2019

	Cases in Inventory	Cases Completed 1/1/19-4/30/19	Cases Pending	Total Paid
Regular (non-vested)	233	72	161	\$2,403,512.94
Erroneous	23	10	13	7,699.26
Employer Share	15	10	5	79,201.29
SCP Overpayment	<u>28</u>	<u>17</u>	<u>11</u>	<u>120,099.61</u>
	<u>299*</u>		<u>190</u>	
Total Refunds Paid		<u>109</u>		<u>\$2,610,513.10</u>

* Cases brought forward from 2018 - 247. New cases received from 1/1/19-4/30/19 - 52.

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	118	184	41	
STT	-	-	-	<u>147</u>	<u>163</u>	<u>127</u>	<u>219</u>	<u>53</u>	
Total	-	-	-	294	275	245	403	94	
Remaining	<u>1</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>6</u>	<u>16</u>	<u>111</u>	<u>78</u>	<u>215*</u>

*As of May 31, 2019 retiree payroll.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING MAY 16, 2019

Life Certificates Status as of May 14, 2019

A total of 102 life certificates dated March 21, 2019 were sent out to 97 retirees and 5 duty death benefit survivors as follows:

Retirees:

81 - Puerto Rico
14 - Caribbean
2 - International

Duty-Death Survivors:

3 – St. Croix
2 – U.S. Mainland

60-day response deadline is May 21, 2019.

39	Validated
12	Missing Documents
6	Returned by USPS (Insufficient Address)
45	Pending Response
102	

The administrator stated that going forward the response deadline will be reduced to 30 days in order to reduce the possibility of fraud occurring in the event the retiree passed away before the life certificate was mailed out and GERS not notified of the death. Reduced to 2 checks instead of 4 checks being issued.

ACCOUNTING

Annuity Payments

Number of retirees as of April 30, 2019 payroll - **8,633**

Number of retirees added to payroll from October 1, 2018 – April 30, 2019. **290**

Number of retirees added to the payroll for the April 30, 2019 pay date. **25**

Number of retirees expected to be placed on payroll for the May 15, 2019 pay date: **20**

Number of retirees deleted from payroll from October 1, 2018 through April 30, 2019: **171**

Note: Gross retiree payroll for the 4/30/19 payroll: \$ 10,484,838.52.

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
MAY 16, 2019**

OPERATIONS

Buildings.

White House at Havensight

Pending elevator replacement and follow up termite treatment.

St. Croix Office Complex

- WW Construction's updated proposal for the building repair projects is still pending. Active follow-up is on-going.
- Confirmation is pending on the material shipment to address the water infiltration issue in the area of Plessen Healthcare. A schedule to perform work will be provided once the material is received.
- Schematics to support the additional storage needs were received from Plessen Healthcare for review. and approval by GERS prior to the acquisition of permits.
- Preparing for the annual fire sprinkler inspection in support of Plessen Healthcare's CMS requirements.

Casino Commission Building

- Several dates have been suggested to the Casino Control Commission to begin lease negotiations to which there were no acceptance due to unavailability. Alternate dates offered by them were not workable due to Legal Counsel's travel plans. Legal Counsel will further advise them of workable upcoming dates.
- Rent is current through end of May.

St. Thomas Complex

- All damaged shutters have been replaced by Custom Builders this month. In addition, the customized new building signage has been installed. Materials for the roof repairs continue to come in and is currently being stored on the premise. The shipment of the storefront is still pending.
- We have also been advised that resources will become available by the end of June to begin the exterior skin project. The bid award letter and contract are being prepared. A follow-up meeting with Custom Builders is being scheduled for the week of May 13th.
- We have conducted a walk-thru with our signage vendor to identify replacement exterior/parking.
- Signage needing replacement as a result of Irma/Maria. Those signs are currently in production.
- In anticipation of the new Customer Service & Member Education relocation, a walk thru was also performed with our signage vendor in conjunction with the Unit's Head to provide our clientele. with effective directional instructions.

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
MAY 16, 2019**

Rental Collections

	April 2019	Total FYTD	Arrearages
Rental	\$36,131.93	\$758,817.74	\$78,702.98
Electric	89,429.09	373,726.99	105,608.76

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

Personal Loans – 5,216

Mortgage Loans - 99

Total Loans – 5,315

Insurance Claims No Update

INFORMATION TECHNOLOGY

- Problems are still being experienced with the load balancers. The current units are unstable and go offline during the day which impacts the V3 users., IT has communicated with a refurbished equipment seller in Europe regarding purchasing of refurbished hardware. IT has been in contact with Vitech to provide guidance in selection of an adequate replacement.
- Problems with the consistency of power to the new enterprise UPS. IT is working with the installer and maintenance to resolve this issue.
- UVI Cell Office 365 assessment and training for staff and trustees are being arranged to take place in late May early June. We will have an update with firm dates in a few days.

Annual Board Retreat

Confirmed for July 10th – 12th at Carambola.

RFP for Management Services for Havensight Mall

The RFP soliciting management services for the Havensight Mall beginning October 1, 2019 was advertised in the media and on the GERS website on May 15, 2019.

V.I. Property Tax Revenue Anticipation Note (\$13 Million)

The extension of the note as a Term Loan expired on December 15, 2018. The final payment from BNY Melon was received on April 22, 2019 in the amount of \$215,499.83.

Committee Reports- None

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
MAY 16, 2019**

Treasurer's Report

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

The April 30, 2019 report shows receipts and collections for the month of April 2019 in the amount of \$15,661,870 and disbursements in the amount of \$24,978,054 for a net cash deficit of \$9,316,184. The FYTD 2019 receipts and collections are \$125,131,380 and FYTD 2019 disbursements are \$168,051,892 for a net FYTD cash deficit of \$42,920,512. Motion made by Trustee Callwood and seconded by Trustee Maynard to accept the Treasurer's Report for April 30, 2019. Motion passed 5 yes and 2 absent (McDonald and Smith).

Investment Officer's Report

Glenville Henderson, Investment Analyst reported: Ending Market Value of the Plan as of April 30, 2019 is \$658.2 million (excludes member's loans and the office complexes). For the month of April, the Total Plan returned 0.7% and underperformed its benchmark by 180 bps. Total Equity returned 4.1% and outperformed its benchmark by 10 bps. Total Fixed Income return was flat and in line with its benchmark. Total Alternative returned -0.4% and underperformed its benchmark by 470 bps. No funds were raised in month of April.

There three (3) active managers (Brandywine, Pugh Capital, and Mesirow).

Regular Session

Motion made by Trustee Callwood and seconded by Trustee Maynard to ratify the renewal of the board counsel's contract. Motion passed 5 yes and 2 absent (McDonald and Smith).

Motion made by Trustee Maynard and seconded by Trustee Callwood to go into executive session and everything said since the break considered to have been said in executive session. Motion passed 6 yes and 1 absent (McDonald).

Executive Session

Motion made by Trustee Callwood and seconded by Trustee Cohen to approve the refund of employer's contributions for additional 13 people after verification by the CFO. Motion passed 6 yes and 1 absent (McDonald).

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

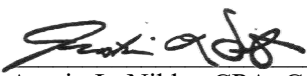
Regular Session

Privileges of the Floor. None.

Adjournment.

Motion made by Trustee Liger and seconded by Trustee Cohen to adjourn. Motion passed 6 yes and 1 absent (McDonald).

The was meeting adjourned at approximately 11:54am.


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