

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

**St. Thomas/St. Croix via Zoom
Thursday, May 28, 2020
9:30 am
** AGENDA ****

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Secretary's Minutes (Regular: 04/23/2020; Special: 05/07/2020)
- 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). Meketa Update

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/ or personal/ or legal matters; or matters whose premature disclosure will frustrate the implementation of the proposed agency action.

- A. New Business
 - (i). Legal Matters
- B. Unfinished Business
 - (i). Havensight Mall Update
- XIII. Privileges of the Floor
- XIV. Adjournment

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

May 28, 2020

The Regular Meeting of the Board of Trustees was called to order at 10:02a.m. The meeting was held in the St. Thomas conference room via Zoom. At roll call, Trustees present were Callwood, Bowry, Clendinen, Cohen, Liger, Smith, and Callender. Trustee McDonald was absent.

Staff in attendance: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Ishmael Meyers, Deputy General Counsel, Denise Jeremiah, CFO, Glenville Henderson, Investment Analyst, Asiah Clendinen Gumbs, Acting COO, and Zaida Castro, Executive Assistant to the Administrator and Nikia Coley, Administrative Assistant to the Board of Trustees

Also, present in the meeting were Pedro Williams, Board Counsel, Yvonne Setorie, Stenographer, Valcina Quashie, Deputy Director for Division of Personnel. Meketa Representatives and Gustavo Bikkesbakker and Leandro Festino joined the meeting to make a presentation to the Board.

Comments and Suggestions from Retirees

No comments from retirees.

Secretary's Minutes

Chairman Callender reported two corrections to be reflected on April 23rd Secretary minutes. On page two, add the word "assistance" after the word financial and remove the word "former" from Ms. Coley's title.

A motion was made by Trustee Cohen and seconded by Trustee Callwood to approve the corrected Secretary minutes for the April 23, 2020 Regular Board meeting. The motion passed with 6 Yes (Callwood, Bowry, Cohen, Liger, Smith, and Callender), and 1 Absent (McDonald)

A motion was made by Trustee Smith and seconded by Trustee Callwood to approve the minutes of the Special Board meeting held on May 7, 2020. The motion passed with 6 Yes (Callwood, Bowry, Cohen, Liger, Smith, and Callender), and 1 Absent (McDonald).

Communications and Correspondences

April 21, 2020 from Department of Finance regarding their auditor, Bert, Smith and Company, were requesting relevant supporting documentation of selected sample of beneficiaries while conducting audit of Census.

April 28, 2020 from Mr. Manoj Ved, tenant of Havensight Mall, Shoppers Haven and Caribbean Gems requesting the Board to consider a 50% rent reduction for the month of March and rent abatement for April, May and June 2020.

May 1, 2020 from Havensight Mall Merchant Association regarding 22 businesses occupying 43 bays not able to open under current COVID-19 pandemic environment.

May 16, 2020 E-Mail to Administrator Nibbs from Joel Trantum, President of Port of Sale, thanking GERS for rent deferral.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

May 28, 2020

Letter from Little Switzerland, Hal Taylor, CEO, (not dated), recommending that rent be tied with sales until situation is normalize.

May 21, 2020 – Letter received from Little Switzerland (not dated) requesting suspension of rent payments until July 1st, no late fees or interest payments on suspended payments, consider cessation of rent, and reduction of rent upon re-opening.

May 21, 2020 – Letter to Mr. Anthony Ottley, Interim President, West Indian Company Inc., requesting all documents necessary to pursue collection on delinquent accounts regarding arrears.

May 22, 2020 – Letter/Survey from GERS Administrator requesting tenants to respond to survey about applying for additional financial assistance such as a PPP Loan.

May 22, 2020 – Letter from Legislature of the Virgin Islands, Finance Committee Chair, Senator Kurt Violet, announcing a budget hearing for the GERS on Tuesday, August 11, 2020 at 1:00 p.m. in the Earle B. Ottley Legislative Hall on St. Thomas.

May 25, 2020 – E-Mail to Administrator Nibbs, from Ram Mirpuri, about rent deferments for Havensight Mall tenants.

May 26, 2020 - Letter from Kamal Sadhwani, from Kamla Enterprises, Inc. requesting a rent waiver of 7.5 months due to COVID-19.

After deliberations about correspondences read into the record, Administrator Mr. Nibbs asked Chairman Callender's permission to henceforth, prior to Board meetings, provide a summary of correspondences subject matter with original letters attached be submitted to the Trustees in order to discuss any important content of the correspondences at the Board meeting. Board Counsel Williams recommended to include an inquiry to the Board to ensure that the Trustees are in receipt of the communication and have read them before action is taken by the Board.

Due to technical challenges, Dr. Callender requested that Trustee Callwood chair the meeting at this time.

Chairperson's Report.

It was recommended that the Chairman's report be submitted electronically due to technical difficulties.

Administrator's Report.

Presentations, Appearances, and External Meetings and Other

April 24th – Met with Evaluation Committee to select finalists for Havensight Mall Roof Project.

April 28th – Met with Evaluation Committee to meet with finalists – Havensight Mall Roof Project.

April 30th – Site visit with architect – Havensight Mall Fencing Project.

May 1st – Met with Havensight Mall Roof contractor selected.

May 7th – Attended Special Board meeting.

May 8th – Meeting with actuaries.

May 11th – Meeting with Havensight Mall tenants.

May 13th – Attended Havensight Mall transition meeting.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

May 28, 2020

May 15th – Attended Havensight Mall monthly management meeting.
 May 18th – Meeting with Havensight Mall management and technicians Re: Developing an RFP for Replacement of Generator System.
 May 19th – Meeting with Senator Atneil “Bobby Thomas” .
 May 20th – Meeting with WAPA Distribution Director Re: Pending water issues at Havensight.
 Meeting with IG auditor Re: Return to Work.

MEMBER SERVICES

ACT No. 7261 - Virgin Islands Economic Stability Act – VIESA No Update.
ACT No. 7128 (2010) No Update.

Retiree Applications Received/Annuities Paid - Includes both SAA and Central Government for April 30, 2020.

	<u>Calendar Year</u>						
	2015	2016	2017	2018	2019	2020	Total
STX	147	111	118	179	144	19	
STT	<u>147</u>	<u>163</u>	<u>127</u>	<u>224</u>	171	29	
Total	294	274	245	403	315	48	
Paid	<u>292</u>	<u>271</u>	<u>239</u>	<u>386</u>	<u>251</u>	<u>10</u>	
Remaining	<u>2</u>	<u>3</u>	<u>6</u>	<u>17</u>	<u>64</u>	<u>38</u>	<u>130</u>

REFUNDS

October 1, 2019 – April 30, 2020

	No. Cases <u>Completed</u>	Total <u>Amount</u>	No. Cases <u>Pending</u>
Regular	318	\$4,793,151.20	35
Erroneous	16	12,996.21	6
Employer Share	19	42,323.10	0
Overpayment	<u>109</u>	<u>275,217.77</u>	<u>16</u>
Total	<u>462</u>	<u>\$5,123,688.28</u>	<u>57</u>

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

May 28, 2020

Death Benefits

October 1, 2019 – April 30, 2020

<u>Types</u>	<u>No. of Cases Completed</u>	<u>Total Amount</u>	<u>No. of Cases Pending</u>
Active	23	\$592,143.44	59
Retired	<u>18</u>	<u>817,502.65</u>	<u>23</u>
Total	<u>41</u>	<u>\$1,409,646.09</u>	<u>82</u>

Life Certificates – As of May 12, 2020

2020 Life Certificate Distribution

77	Validated
8	Suspended
11	Pending Receipt of Documents*
96	Letters sent out. (Dated 1/31/2020 with 3/1/2020 response deadline.)

*Primarily from Caribbean/International

Benefits Suspended = Address was changed to GERS. Annuity checks will be held by GERS until **either** a validated Life Certificate **or** a Death Certificate is received.

Duty/Non-Duty Disability

71 – U.S. Mainland
164 – Virgin Islands

166	Validated
69	Receipt of Life Certificate Pending
235	Letters sent out. (Dated 2/20/2020 with 3/20/2020 response deadline.)

Accounting Department

Annuity Payments

No. of retirees as of May 15, 2020 payroll: 8,708

Cumulative Payroll from October 1, 2019 – May 15, 2020 with pensioners - \$159,937,046.91

Number of retirees ***added to the payroll*** from October 1, 2019 – May 15, 2020. **230**

Number of retirees added to the payroll from the May 15, 2020 pay date: **12**

Number of retirees expected to be placed on payroll from the May 29, 2020 pay date: **14**

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

May 28, 2020

Number of retirees *deleted from payroll* from October 1, 2019 through May 15, 2020: **207**

Note: Gross Retiree Payroll for the 05/15/20 payroll - \$10,717,981.99.

Member Loans Portfolio

PERSONAL LOANS

	3/31/2020	4/30/2020	
Active Personal Loans	2450	2442	
Retiree Personal Loans	1112	1083	
Auto Loans	2	2	
	3564	3527	

MORTGAGES

	3/31/2020	4/30/2020	
Construction/Home Improvement	21	21	
Land	30	30	
Purchase/Refinance	40	40	
Totals	91	91	

Operations

St. Croix Office Buildings

- Roof repairs delayed due to coronavirus situations because installer would have to travel from the mainland.

Environmental Conditions & Services:

- Common areas maintenance (CAM SERVICES) One proposal was received from Joseph Maintenance and two more are expected.

Maintenance:

- 500 KW. Emergency Electric Generator: Regular service maintenance was completed this month all normal with equipment. Crystal water fountain unit failed operation due to defective diaphragm valve, which caused moisture into the motor for the pump and damaged the motor. Two quotations were received however, we are evaluating the option of repairing the motor instead of replacing it. An update will be provided on progress of same.

Projects:

- Trash dumpster enclosure project is approximately 60 % completed to the time of this report.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

May 28, 2020

- Received two proposals for the Security guard's building renovation and another was requested.
- Recommendation to replace three (3) Interior Doors for Security purposes (Active Shooter Protection.)

St. Thomas Office Complex

- Renovations to the exterior of the building is approximately 90% complete.
- Two transformers are leaking oil. WAPA engineer has concluded that the two transformers will have to be replaced.
- Progress will be made on the North Roof Project when the architect completes the drawings and a contractor selected. This project is very important because of the hurricane season.
- Because of the coronavirus a protective partition at the Security Desk in the main lobby will be constructed as soon as Pixi-Glass becomes available because vendors are out of stock.

Rental and Electricity Collections

	April 2020	Total FYTD	Arrearages
Rental	\$49,528.40	\$459,721.42	\$75,676.67
Electric	<u>60,889.71</u>	<u>382,424.63</u>	<u>131,497.22</u>
Total	<u>110,418.11</u>	<u>\$842,146.05</u>	<u>\$207,173.89</u>

Arrearages – Rentals

Justice – April

Personnel – April

Plessen – March and April

ResCare – (Job Corps) – April

Housing Finance Authority – April

Arrearages – Electrical

The GERS April bill was not received from WAPA.

Justice – February and March

Personnel – February and March

ResCare (Job Corp) – February and March

Finance Authority – February and March

The Administrator's recommendation for rents for tenants (commercial spaces and the Havensight Mall) was presented in a separate report.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

May 28, 2020

Trustee Smith requested to know the cause of the arrears for April. A letter from Director Clendinen was submitted to the Board of Trustees by Administrator Nibbs requesting a poll vote but the item was not voted upon. Director Clendinen's correspondence mentioned that OMB had reduced the Division of Personnel's Budget and allotments would be less than what was expected. According to Director Clendinen, Division of Personnel has not received an allotment. The funding is not readily available at this time.

Committee Reports

Investment Committee – Chairman Callender - No Report. (b). Development Committee – Trustee Leona Smith - No Report (c). Medical Committee Report – Chairman Callender - No Report (d). Budget Committee Report – Trustee Bowry – No Report (e). Policy Committee Report – Trustee Callwood – Recommended changes for the Board Policy Manual were submitted. Therefore, the committee will meet to discuss a recommendation to present to the Trustees for the full Board review and action. This meeting may occur next week with the intent of including it on June's Board meeting agenda.

Treasurer's Report

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

Total Collections for April 30, 2020 is \$19.2M and FYTD is \$109.4M and Total Disbursements for April \$24.1M and FYTD is \$171.5M; a Net Cash Deficit of \$4.9M and FYTD is \$62.1M.

Trustee Callwood expressed concern regarding contributions for the month of April. According to CFO Jeremiah, all agencies have caught up on their contributions.

A motion was made by Trustee Smith and seconded by Trustee Liger to approve the Treasurer's report. The motion passed with 5 Yes (Callwood, Cohen, Liger, Smith, and Callender), 1 not voting (Trustee Bowry), one absent (Trustee McDonald).

Investment Officer's Report

Glenville Henderson, Investment Analyst reported: Total Plan Return is 2.2% for the month of April; Total Equity return is 13% and in line with its benchmark; Total Fixed Income is 1.7% and underperformed its benchmark by 10bps; Total Alternatives is -0.6%. The monthly cashflow update ended with \$555M (excludes Member Services, Loans Program and St. Thomas/St. Croix complexes); no funds raised in the month of April; Record of Asset Growth is \$558M; Net Cash Flow is -\$15M, Income is \$251K; Gain/Loss \$13M; Ending value of \$555M; Investment Management/Custodian/Consulting Fees for the month of April is \$114K; CYD is \$207K; and FYTD \$339K. For year to date, the overall portfolio performance is about 0.9% which includes equity, fixed income and local and alternative assets. It does not include member loans and office complexes. Mr. Henderson confirmed to Trustee Smith that communication is on-going with GERS managers and they have not been facing challenges with their operations due to the pandemic.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

May 28, 2020

Regular Session

A. New Business

i. Meketa Update – Representatives Gustavo Bikkesbakk and Leandro Festino

Meketa Representatives made a presentation regarding market updates and performance report as of May 8th. According to Meketa, GERS portfolio return for year to date is +1.6 and for the fiscal year it is 3.6. Since inception, the average return has been 8.8% and this does not include local assets – only liquid tradeable assets. Mr. Festino mentioned that the System returns over the (5) five years have been 5.8% and over the last ten years it has been 7.1%. Trustee Bowry requested Meketa representatives to provide data that can assist GERS to explain to the Senators and government officials its investments and portfolio.

Regular Session

Motion made was by Trustee Cohen and seconded by Trustee Bowry to go into Executive Session to discuss matters pertaining to trade secrets/or financial or commercial information/or personal/or legal matters; or matters whose premature disclosure will frustrate the implementation of the proposed agency action. The motion passed with 5 Yes (Callwood, Bowry, Cohen, Liger, and Callender), and 2 absent (Smith and McDonald).

Executive Session

Motion made by Trustee Cohn and seconded by Trustee Bowry to come out of executive session. The motion passed 4 Yes (Callwood, Bowry, Cohen, and Callender) and 3 Absent (Liger, McDonald, and Smith).

Regular Session

In executive session the Board voted these items for dissemination as follows:

1). Motion made by Trustee Cohn and seconded by Trustee Smith to grant rent deferral to Division of Personnel and for those entities requesting deferment of lease payments for the months of April 2020 through July 2020, to include all penalties and fees resulting from the deferment request. Electrical payments are not deferred.

Also, the motion addressed the request from Plessen Healthcare, LLC. The Board approved a rent reprieve (deferment) of lease payments for the months of April, May, and June 2020, to include all penalties and fees resulting from the deferment request. The Board did not approve their request to have the 3 months rent added to the end of the lease period.

The motion passed 4 Yes (Callwood, Bowry, Cohen, and Smith), and 3 Absent (Liger, McDonald, and Callender).

2). Motion made by Trustee Bowry and seconded by Trustee Smith to grant a deferment of rental payment for the month of June without penalty and interest to Havensight Mall tenants who were not in arrears before January 2020 (pre COVID-19). The motion passed 4 Yes (Callwood, Bowry, Cohn, and Smith), 1 Not voting (Callender), and 2 Absent (Liger and McDonald).

Privileges of the Floor. None

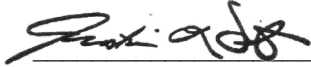
**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING**

May 28, 2020

Adjournment.

Motion made by Trustee Smith and seconded by Trustee Bowry to adjourn the meeting. Motion passed 5 Yes (Callwood, Bowry, Cohen, Smith and Callender) and 2 Absent (Liger McDonald).

The was meeting adjourned at approximately 2:24pm.



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