

**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, November 16, 2017  
9:30 am**

**\*\* AGENDA \*\***

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Secretary's Minutes (Regular: 10/16/17)
- 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. **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). Discussion on GOVINVEST, INC.
- B. Unfinished Business
  - (i). Magistrate Jessica Gallivan
  - (ii). Jaredian Design Group's Recommendation Regarding Havensight Mall Damages
- XII. Personnel
- XIII. Privileges of the Floor
- XIV. Adjournment

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING  
THURSDAY, OCTOBER 19, 2017**

The Regular Meeting of the Board of Trustees was held at the St. Thomas (STT) Conference Room and by telephone from the St. Croix (STX) Boardroom. The meeting was called to order at 10:23am. At roll call, Trustees present in the STT Conference Room were Chairman Wilbur Callender and Carol Callwood. Trustees Vincent Liger and Michael McDonald participated by teleconference. Trustee Cohen was excused but joined the meeting at 10:27am, and signed off at 11:11am. Trustee Desmond Maynard was absent.

Staff in attendance in STT: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Ishmael Meyers, Jr., Deputy General Counsel, Asiah Clendenin, Strategic Planning & Organizational Development Officer, Glenville Henderson, Investment Analyst, Evelyn Venner Potter, Chief Operating Officer, Grasilda Dobbins, Chief Financial Officer, and Lorraine Morton, Director, Communication and Member Education/PIO.

In STX were Nikia Coley, Administrative Assistant to the Board and Bruce Thomas, Investment Officer.

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

Press in STT - V.I. Daily News.

**Comments and Suggestions from Retirees. None.**

There were no retirees in attendance in STX or STT.

**Secretary's Minutes.**

Motion made by Trustee Callwood seconded by Trustee Liger to accept the secretary's minutes for the regular meeting-August 24, 2017. Motion passed 3 yes, 3 absent (Maynard, McDonald, Smith), and 1 not voting (Cohen).

**Communications and Correspondences.** The Administrator read into the record: 1). Letter dated October 6, 2017 to Kenneth E. Mapp, Governor of the VI regarding FEMA Recovery Cost for Employee and Employer Retirement Contributions. 2). Letter dated October 6, 2017 to Ted Koenig, Red Cross representative thanking the organization for the hurricane relief boxes for the GERS staff. 3). Letter dated October 12, 2017 to Honorable Sammuel Sanes regarding retirement annuities from semi-monthly to monthly.

**Chairperson's Report.**

Thanked Mrs. Potter for her service during the hurricanes as acting administrator and the staff for a job well done during that period.

**Administrator's Report.** (The Administrator's Report was distributed and can be referenced for more detailed information).

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING  
THURSDAY, OCTOBER 19, 2017**

**Highlights:**

**Update on Operations – Post Hurricanes Irma and Maria**

**Systems**

- Thanked the staff of the GERS with all the personal losses and damages sustained from both hurricanes for their dedication and patience during the recovery and restoration process, and at the same time doing what had to be done, especially the payroll staff with the assistance of Banco Popular for processing the retiree payrolls timely without access to the operating systems (V3).
- The V3 had to be taken down during the storms because of the instability of the power generation and generator. Also, the batteries failed. We are awaiting the shipment of the batteries so that they can be installed. Getting the V3 back up to some form of normalcy also depends on our connectivity. The ViNGN and Smartnet (primary and secondary ISPs) are not up 100%. We are working with Viya as a backup.
- We were able to manually process all lump sum (retroactive) payments that were completed prior to the hurricanes (July 31<sup>st</sup>, August 15<sup>th</sup>, and August 31<sup>st</sup>).
- We are looking at:
  - 1). Manual processing any initial retiree payroll that was approved to be paid prior to the hurricanes.
  - 2). Manual processing any refunds that were approved to be paid prior to the hurricanes.
- The business operations (processing of vendor payments) were not interrupted.
- Until the curfew (STT – 7pm – 5am / STX – 7pm – 9am) is discontinued:
  - 1). Employees in STT district starts work at 8:30am – 3:30pm. Services are available to members from 10:00am – 2:00pm.
  - 2). Employees in STX district starts work at 10:00am – 4:00pm. Services are available to members from 11:00am – 3:30pm.

**Employee Assistance**

- GERS purchased supplies for the staff and had the supplies shipped to STT and STX. Two (2) committees were selected on both islands – Cathy Smith and Asiah Clendenin (STT co-chairs) and Michelle Nico (STX-chair) along with their teams to distribute to the staff. The staff also received supplies from the Red Cross and FEMA.
- A Generator Purchase/Repayment Program is currently in place where GERS will purchase generators for the staff with payroll deductions over a 24 months period. So far, 37 employees territory-wide have signed up to participate.
- We are considering purchasing washer/dryer to aid employees to have access to laundry services.

**Status of NOPA Project/V3 Project. (Detailed summaries were provided).**

NOPA Project as of October 13, 2017

Overall project – 99% completed.

Central government – 100% completed.

Semi-autonomous agencies – 98% completed.

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING  
THURSDAY, OCTOBER 19, 2017**

V3 Update as of September 30, 2017

Total issues outstanding – 143.

GERS's issues – 87 (61%).

Vitech's issues – 56 (39%).

Critical issues - 60 (36 GERS and 24 Vitech).

### **Member Services.**

**Missing Employer Contributions (Estimated).** \$47 million estimated in 2011 by Segal. \$37.8 million in outstanding.

**Employer Missing Contributions (Billed).** The balance remaining on the \$1.8 million advance by the central government from the Internal Revenue Matching Fund is \$724,048.02.

#### **Due to GERS for Contributions/Loan Deductions - As of October 17, 2017.**

1). **Central government** employee and employer contributions for pay dates 6/22/17, 7/20/17, 8/3/17, 8/17/17, 9/4/17, 9/28/17, and 10/12/17, and loan deductions for pay date 7/6/17. 2) **East End Clinic** employee and employer contributions and loan deductions for pay dates 8/3/17, 8/17/17, 8/31/17, 9/14/17, 9/28/17, and 10/12/17. 3). **Frederiksted Health Care Center** employee and employer contributions and loan deductions for pay date 9/14/17, 9/28/17, and 10/12/17. 4). **Schneider Regional Medical Center** employer contributions for pay date 5/11/17, 5/25/17, 6/8/17, 6/22/17, 7/6/17, 7/20/17, 8/3/17, and 8/17/17, and all contributions and loan deductions for pay dates 8/31/17, 9/14/17, 9/28/17, and 10/12/17. 5). In addition, the following autonomous agencies are outstanding as of October 17, 2017:

- **EDA** - contributions and loan payments for pay dates 09/14/17, 09/28/17, and 10/12/17.
- **IDC** - contributions and loan payments for pay dates 09/14/17, 09/28/17, and 10/12/17.
- **VI Public TV** has not remitted to GERS contributions and loan payments for pay dates 9/14/17, 9/28/17, and 10/12/17.
- **VIWAPA** - contributions and loan payments for pay dates 8/24/17, 09/7/17 and 9/21/17.
- **VI Port Authority** - contributions and loan payments for pay date 09/28/17 and 10/12/17.
- **VI Lottery** - contributions and loan payments for pay dates 09/14/17, 09/28/17, and 10/12/17.
- **VI Housing Authority** - contributions and loans for pay dates 09/7/17 and 09/21/17.
- **UVI** - contributions for pay dates 7/13/17, 9/7/17, 9/21/17; and loans for pay date 7/27/17.

#### **Juan F. Luis Hospital and Medical Center.**

See General Counsel's Legal Report. Mediation session held on August 10, 2017. No final resolution.

**Section 718(k) Project (ADEC).** As of September 30, 2017, of the 48 ADEC cases, 41 retirees have received their initial annuities.

**VIESA (ACT No. 7261).** No update.

**ACT No. 7128 (2010).** Adjustments of annuities for sick and excess annual leave. No update.

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING  
THURSDAY, OCTOBER 19, 2017**

**Member Services (Continued)**

**Annuity Payments.**

Total Retirees-September 30, 2017 payroll: **8,560.**

Total Annuity Payments – October 1, 2016 – September 30, 2017 - \$244,463,394.58  
(w/Pensioners).

Retirees added to payroll YTD through September 30, 2017 – 270.

Retirees deleted from payroll YTD through September 30, 2017– 235.

**Refunds.** January 1, 2017 to September 30, 2017:

Number of applications – 631

Number of cases completed - 461

Total dollars - \$3,379,574.16

**Retiree Applications.** Include both SAA and Central Government

Of the 296 applications received in 2015 (STX – 148, STT – 148), 285 retirees have received their initial retirement annuity as of the September 30, 2017 retiree payroll.

Of the 286 applications received in 2016 (STX – 117, STT – 169), 238 retirees have received their initial retirement annuity as of the September 30, 2017 retiree payroll. 48 initial annuities remaining for several reasons other than for employer contributions.

Of the 189 applications received from January 1, 2017 – September 30, 2017 – (STX – 106, STT 83), 15 retirees have received their initial retirement annuity as of the September 30, 2017 retiree payroll. 174 initial annuities remaining for several reasons other than for employer contributions.

**Loans Outstanding as of September 30, 2017. No update. V3 was down.**

**Operations**

**Rental Revenue**

Collections month of September 2017 (Rents-\$265.58 from FirstBank/ Electric-\$-0-).

Rental YTD September 2017(Rents-\$692,428.57/Electric-\$203,892.38). Total - \$896,320.95.

Arrearages as of September 30, 2017(Rents-\$413,984.18/Electric-\$142,345.93).

**Facilities**

The facilities territory-wide experienced minor-moderate damages due to hurricanes Irma and Maria. See detailed report made available as part of the administrator's report.

**Committee Reports.** None.

**Treasurer's Report.** Grasilda Dobbins, CFO reported: The September 30, 2017 report shows receipts and collections for the month of September 2017 in the amount of \$950,360.00 and disbursements in the amount of \$21,114,223.00 for a net cash deficit in the amount of \$20,163,863.00. The YTD receipts and collections



**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING  
THURSDAY, OCTOBER 19, 2017**

are \$140,106,176.00 and YTD disbursements in the amount of \$274,731,781.00 for a net YTD cash deficit of \$134,625,605.00. Motion made by Trustee Callwood and seconded by Trustee Liger to accept the Treasurer's Report. Motion passed 3 yes, 3 absent (Maynard, McDonald, Smith), and 1 not voting (Cohen).

**Investment Officer's Report.**

Bruce Thomas, Investment Officer reported: (i). Ended month of July 31, 2017 at approximately \$642.8 million (excludes member loans approximately-\$113M, STT Office Complex-\$7.6M, and STX Office Complex-\$3.1M.

Slated for liquidation – Walter Scot and LSV.

1 Alert – Pugh Capital due to credit quality. Securities with a credit rating below Baa3/BBB prohibited.

**Regular Session.**

**New Business.**

Motion made by Trustee Callwood and seconded by Trustee Liger to approve the FY 2018 Operating and Capital Budgets for Havensight Mall as proposed. Motion passed 4 yes and 3 absent (Maynard, Smith, Cohen).

Motion made by Trustee Liger and seconded by Trustee Callwood that any alternative investment recipient which has suffered damages from the 2017 hurricanes resulting in cessation of operations or substantial loss of income may be eligible for a deferment of principal, but not interest, for a period not to exceed 6 months; provided that upon receipt of business insurance interruption process, it will pay all outstanding amounts due to GERS within ten(10) days and continue making payments in accordance with applicable loan agreement. Motion passed 3 yes, 3 absent (Maynard, Smith, Cohen), and 1 not voting (Callender).

Motion made by Trustee Callwood and seconded by Trustee Liger to approve Segal's recommendation to use the latest approved 10/1 valuation to calculate the 718(k) ADEC for retirements between 8/1 and 7/31 of the following year. Motion passed 4 yes and 3 absent (Maynard, Smith, Cohen).

**Unfinished Business**

Motion made by Trustee Liger and seconded by Trustee Callwood to write down the carry value of Attilanus Fund at September 30, 2017. Motion passed 4 yes and 3 absent (Maynard, Smith, Cohen).

Motion made by Trustee Callwood and seconded by Trustee Liger to go into Executive Session. Motion passed 4 yes and 3 absent (Maynard, Smith, Cohen).

**Executive Session.**

Motion made by Trustee Callwood and seconded by Trustee Liger to come out of Executive Session. Motion passed 4 yes and 3 absent (Maynard, Smith, Cohen).

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING  
THURSDAY, OCTOBER 19, 2017

**Regular Session.**

Motion made by Trustee Callwood and seconded by Trustee Liger to adjourn the meeting. Motion passed 4 yes and 3 absent (Maynard, Smith, Cohen).

The meeting was adjourned at approximately 1:34pm.

A handwritten signature in black ink, appearing to read "Austin L. Nibbs", written over a horizontal line.

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