

**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, September 26, 2019**

9:30 am

**** AGENDA ****

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Secretary's Minutes (Regular: 08/22/19)
- 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. 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). Havensight Mall
- B. Unfinished Business
 - (i). Universal Financial Consultants
 - (ii). Port of Sale

- XII. Personnel
- XIII. Privileges of the Floor
- XIV. Adjournment

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
MINUTES OF THE BOARD OF TRUSTEES REGULAR MEETING
September 26, 2019

I. Call to Order

The GERS Regular Board of Trustees Meeting on September 26, 2019 was called to order at 9:45a.m. The meeting was held in the St. Thomas conference room by video teleconference to the St. Croix Boardroom, via Zoom.

II. Roll Call

Trustees in attendance except Trustees Liger, McDonald and Smith (Absent).

Staff in Attendance: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Ishmael Meyers, Deputy General Counsel, Denise Jeremiah, CFO, Asiah Clendinen Gumbs, Acting COO, Lorraine Gumbs-Morton, Director of Communications and Member Education, and Zaida Castro, Executive Assistant to the Administrator. Nikia Coley, Administrative Assistant to the Board participated by Zoom.

Also, in attendance were Pedro Williams, Board Counsel and Yvonne Setorie, Stenographer. AVIS's reporter Lasiba Knight was also in attendance in St. Croix.

III. Comments and Suggestions from Retirees

No Retirees were in attendance.

IV. Secretary Minutes (Regular: August 22, 2019)

Chairperson Callender mentioned that the name of the Trustee who presented the motion to approve the elevator replacement at the White House – not to exceed \$98,000 was omitted from the minutes. It was clarified that the motion was made by Trustee Cohen.

Trustee Smith joins the meeting at 9:48a.m.

A motion was made by Trustee Callender to accept the minutes as amended and seconded by Trustee Cohen. The motion passed unanimously with 5 Yes and 2 Absent. (McDonald and Liger).

V. Communications and Correspondences

There were no Communications or Correspondences to Report.

VI. Chairperson's Report

No Report from the Chairman.

VII. Administrator's Report

The Administrator's Report was presented and read into the record by Mr. Nibbs. A copy was made available to the trustees and all staff in attendance.

Highlights of the report are as follows:

1). No updates on Act. No. 7261 VIESA (recalculation of salary increases) and Act. No. 7128 (sick and excess annual leave).

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- 2.) Return to Work – No Update.
- 3.) Retirees Applications. Pending at 8/30/19 from 2013-2020 - 196. Pending from 2018-2020 – 175.
- 4.) Refunds. Cases completed from 1/1/19 – 8/31/2019 – 689 (Totaling \$6.6M). Cases pending – 48.
- 5.) Death Benefits. Cases completed from 1/1/19-8/31/2019 – 37 totaling \$1.9M; Cases pending – 98.
- 6.) Life Certificates. Of the 102 sent to retirees residing in Puerto Rico, Caribbean and International, 11 benefits were suspended, two (2) benefits were terminated due to death and 7 responses are pending.
- 7.) Annuity Payments. At 9/13/2019 there were 8,687 retirees being paid. The cumulative amount paid out from 10/1/2018-9/13/2019 is \$240.6M. Retirees added to the payroll through 9/13/2019 – 459. Deleted (Deceased) – 289.
- 8.) Loan Portfolio. At 8/31/2019 – Personal Loans 4,908 and mortgages 97. All personal loans will mature by 2024.
- 9.) Buildings. White House – elevator replacement was approved at the August 22nd Board Meeting. On St. Croix, Brother's Construction was given the mobilization to start hurricane preparation project. The Casino Commission Building lease renewal is pending because GERS needs to meet with the Commission to discuss CAM charges. On the St. Thomas Complex, a Pre-Conference Meeting was held with the respondents to the RFP on Monday, September 23rd and GERS will be moving forward with a selected vendor.

Trustee Liger joins the meeting at 9:51 a.m.

10.) Rental Collections in August 2019 \$53.8K (Rents \$39.5K and Electric \$14.3K). Total Fiscal Year to Date \$1.5M (Rents \$1.1M and Electric \$430K). Arrearages \$285.9M (Rents \$80.5K and Electric \$205.4K). The Department of Justice has submitted payments of arrearages owed to GERS.

11.) Energy Audit – FEMA and VITEMA continue to work on GERS' Project Worksheets. There has been an additional award of \$61.1K for Category B – GERS STT complex and \$400K for surveillance cameras for Havensight Mall.

Comments on the Administrator's Report

Trustee Smith proposed the question if GERS is expecting additional monies from FEMA. According to Ms. Clendinen Gumbs, the St. Croix complex did not meet the threshold, so GERS did not receive any insurance proceeds. Therefore, GERS will be reimbursed for expenses incurred. GERS has four projects on St. Thomas, and they are in conjunction with the Havensight Mall repairs. GERS has eight project worksheets total and got paid for almost half already. Trustee Callwood asked why did the retiree personal loans increased from 1,738 to 1,741 between 7/31/19 and 8/31/19? The Administrator will investigate.

It was recognized that the retiree application for 2012 and 2013 of Juan Luis Hospital was completed and moving forward.

VIII. Committee Reports

- a. Investment Committee – Trustee Maynard – Nothing to Report.
- b. Development Committee – Trustee Leona Smith - Nothing to Report.
- c. Medical Committee Report – Chairman Callender – Nothing to Report.

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- d. Budget Committee Report – Chairman Callender – Nothing to Report.
- e. Policy Committee Report – Trustee Callwood – Nothing to Report.

Comments from Trustee Callwood

In the past, the agency's shortfalls were made up by the investment income. The agency is running out of the investment income and Administrator Nibbs has confirmed that Governor Bryan has not met with him to discuss the status of GERS. The White Paper as well as the Actuarial Valuation Report were submitted to the Governor. Administrator Nibbs has not received any reply from Governor Bryan.

- IX. Treasurer's Report - The Treasurer's Report for the month ending of August 31, 2019 was presented and read into the record by Denise Jeremiah, CFO. Total Collections for August 2019 is \$16.9M and Total Disbursements are \$25.5M and a Net Cash Deficit of \$8.5M. Total FYTD 2019 Collections are \$185.4M and Disbursements are \$266.9M. A Net FYTD Net Deficit of \$81.5M There were no questions from the Board of Trustees. **A motion to approve the Treasurer's Report for month ending August 31, 2019 was moved by Trustee Smith and seconded by Chairman Callendar. The motion passed unanimously with 6 Yes and 1 Absent (McDonald).**
- X. Investment Officer's Report. Mr. Glenville Henderson is on vacation. Therefore, the Investment Officer's Report was presented and read into the record by Administrator Nibbs. The Ending Market Value at August 31, 2019 was \$627.9M. \$48M from Brandywine liquidation was raised in the month of August. Plan to raise \$3.4M in the month of September from Mid Cap Index liquidation. Total Plan returned 8.8% for the month and outperformed its benchmark by 130bps. Total Equity returned -1.9% and outperformed its benchmark by 20bps. Total Fixed Assets returned 1.7% and underperformed its benchmark by 90bps. Total Alternatives returned -0.4% and outperformed its benchmark by 100bps. This report includes GERS' local alternatives investment and vacant properties. Administrator Nibbs will find out if Carambola is included in the \$96.4 Market Value.

No Regular Session items were on the agenda.

XI. EXECUTIVE SESSION

A motion was made by Trustee Smith and seconded by Trustee Liger to go into Executive Session. The motion passed unanimously with 6 Yes and 1 Absent (McDonald).

XII. EXECUTIVE SESSION (Session closed to the public for matters pertaining to trade secrets / or financial or commercial information.

A motion was made by Trustee Smith and seconded by Trustee Maynard to come out of Executive Session. The motion passed unanimously with 6 Yes and 1 Absent (McDonald).

REGULAR SESSION

A motion was made by Trustee Smith and seconded by Trustee Liger to approve the contract for Nikia Coley the former Administrative Assistant to the Board. The motion passed unanimously with 6 Yes and 1 Absent (McDonald).

A motion was made by Trustee Maynard and seconded by Trustee Smith notwithstanding any other provision, all Trustees are eligible to attend the International Foundation of Employee Benefit Plans 2019 convention, and arrangements should be made for all Trustees to attend. The motion failed for lack of a majority vote 3 Yes, 3 No, and 1 Absent (McDonald).

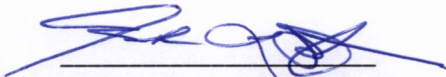
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XIII. Privileges of the Floor. None.

XIV. Adjournment.

A motion was made by Trustee Maynard and seconded by Trustee Cohen to adjourn the meeting. The motion passed unanimously with 5 Yes and 2 Absent (McDonald and Smith).

The meeting was adjourned at 12:52p.m.



Austin L. Nibbs, CPA, CGMA
Secretary/Administrator/CEO