

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

**St. Thomas/St. Croix via Zoom
Thursday, September 24, 2020
9:30 am**

**** AGENDA ****

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Secretary's Minutes (Regular: 08/27/2020)
- V. Communications and Correspondences
- VI. Chairperson's Report
- VII. Administrator's Report
- VIII. Committee Reports
- IX. Treasurer's Report
- X. Investment Officer's Report (Presented by Meketa)
- XI. REGULAR SESSION
 - A. New Business
 - (i). Approve Carryover of the FY 2020 Budget for Further Discussion
 - (ii). Approve the Salary Increases for FY 2021
 - (iii). Approve the Decision of the Carambola NW LLC Board to Proceed with the Dissolution of Carambola NW LLC

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). Medical Review Committee Recommendations
 - a. Brenda Sookraj v GERS
 - b. Victoria Edwards v GERS
 - (ii). Appeals before the Board
 - a. GERS v Marisa Wilson
 - b. Levron Sarauw v GERS
- B. Unfinished Business
 - (i). WAPA Proposal
- XIII. Privileges of the Floor
- XIV. Adjournment

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

September 24, 2020

The Regular Meeting of the Board of Trustees was called to order at 9:41 a.m. The meeting was held in the St. Thomas conference room via Zoom. At roll call, Trustees present were Callwood, Bowry, Clendinen, Cohen, Smith, and Callender. Liger and McDonald were absent.

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

Also, present in the meeting were Pedro Williams, Board Counsel. The stenographer Desiree Hill was unable to attend. The session meeting was recorded and will be provided to her to prepare the transcript.

Comments and Suggestions from Retirees

No comments from retirees.

Secretary's Minutes

Trustees Bowry noted that the "e" in his name should be eliminated on pages 10 and 11.

A motion was made by Trustee Smith and seconded by Trustee Cohen to approve the Secretary minutes for the August 27, 2020 Regular Board meeting with corrections. The motion passed with 5 Yes (Callwood, Bowry, Cohen, Smith, and Callender) and 2 absent (Liger and McDonald).

Communications and Correspondences

Chairman Callender received a letter from Mr. Shane Caspod from St. Thomas and St. John Chamber of Commerce on September 4th and it was read into the record. Mr. Caspod expressed interest in holding a conversation with GERS about proposed matching funds and how insolvency may impact the business community. Chairman Callendar responded to Mr. Caspod on September 8th accepting the invitation and is awaiting a response.

Additionally, Trustee Bowry shared with the Board that a letter on his personal behalf was submitted to the President of the Legislature and copied to Governor Bryan regarding GERS insolvency. Therefore, Administrator Nibbs recommended to invite the Chamber of Commerce as part of the upcoming Board Retreat to hear the Actuary report and the Board agreed.

Chairperson's Report.

No Report.

Administrator's Report.

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Meetings, Presentations, and Appearances

September 2nd - Meeting with Senator Frett-Gregory.

Meeting with WAPA representatives regarding the Water
Distribution Project at Havensight Mall.

September 4th – Attended the Joint Oversight Committee and Havensight Mall
management meeting.

September 10th – Meeting with Department of Tourism regarding the MOU
use of Welcome Center at Havensight Mall.

September 11th – Meeting with Dr. Davies – GERS Leadership Development
Initiative.

September 14th – Attended the GERS vs. Wilson Appeal Hearing.

September 16th – Attended Havensight Mall Transition Meeting.

September 17th – Attended the Carambola NW LLC Board Meeting.

September 18th – Attended senior management meeting Re: Discussion on topics for upcoming
board retreat.

Attended joint meeting with US Customs and WICO regarding the use of
GERS property.

September 21st – Meeting with Budget Committee regarding the FY 2021 budget.

September 23rd – Appeared on Redfield's Talk Show.

Member Services

Retirement Applications

	<u>Calendar Year</u>						
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Total</u>
STX	147	111	118	179	143	51	
STT	<u>147</u>	<u>163</u>	<u>127</u>	<u>224</u>	<u>169</u>	<u>66</u>	
Total	294	274	245	403	312	117	
Processed	<u>293</u>	<u>272</u>	<u>243</u>	<u>399</u>	<u>290</u>	<u>48</u>	
Remaining	<u>1</u>	<u>2</u>	<u>2</u>	<u>4</u>	<u>22</u>	<u>69</u>	<u>100*</u>

*Includes SAA and Central Government as of September 15, 2020 retiree payroll.
Also, Includes Later Payroll Cases.

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Refunds

October 1, 2019 – August 31, 2020

	No. Cases <u>Completed</u>	Total <u>Amount</u>	No. Cases <u>Pending</u>
Regular	402	\$6,388,492.01	64
Erroneous	19	17,451.05	5
Employer Share	28	83,100.67	0
Overpayment	<u>142</u>	<u>371,934.59</u>	<u>5</u>
Total	<u>591</u>	<u>\$6,860,978.32</u>	<u>74</u>

Death Benefits

<u>Types</u>	No. Completed <u>10/1/19-8/31/2020</u>	Amount <u>10/1/19-08/31/2020</u>	No. of Cases to <u>be Completed</u>
Active	32	\$863,832.05	58
Retired	<u>20</u>	<u>962,792.78</u>	<u>24</u>
Total	<u>52</u>	<u>\$1,826,624.83</u>	<u>82</u>

DECEASED MEMBERS PAYMENTS TO HEIRS

We have processed one hundred and twenty-three (123) manual payments to the heirs of deceased members for the retroactive payments totaling \$39,384.72 as of August 31, 2020.

Duty/Non-Duty Disability Life Certificates – As of August 31, 2020

2020 Duty/Non-Duty Disability Life Certificate Distribution – Status Update: No new activity for this period

71 – U.S. Mainland

164 – Virgin Islands

177	Validated
0	Suspended
58	Receipt of Life Certificate Pending
235	Letters sent out. (Dated 2/20/2020 with 3/20/2020 response deadline.)

Act No. 7261 Virgin Islands Economic Stability Act – VIESA – Status Update: No activity for this period

Act No 7128 (2010) – Status Update: No activity for this period

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Accounting Department

Annuity Payments

No. of retirees as of September 15, 2020 payroll: **8,712**

Total amount paid to retirees and pensioners from October 1, 2019 – September 15, 2020

\$245,732,408.29

Number of retirees **added to payroll** from October 1, 2019 – September 15, 2020. **332**

Number of retirees added to the payroll for the September 15, 2020 pay date. **12**

Number of retirees expected to be placed on payroll for the September 30, 2020 pay date: **7**

Number of retirees **deleted from payroll** from October 1, 2019 through September 15, 2020: **305**

Note: The gross retiree payroll for pay date September 14, 2020 was \$10,743,697.39.

Member Loans Portfolio

PERSONAL LOANS

	7/31/2020	8/31/2020	
Active Personal Loans	1962	1940	
Retiree Personal Loans	919	884	
Auto Loans	1	1	
	2882	2825	

MORTGAGES

	7/31/2020	8/31/2020	
Construction/Home Improvement	22	22	
Land	31	30	
Purchase/Refinance	40	40	
Totals	93	91	

August-2020

LOANS	July 2020	August 2020
Active Personal Loan	\$22,043,243.81	\$20,958,848.89
Retiree Personal Loan	\$11,383,193.33	\$11,107,391.63
Auto Personal Loan	\$7,727.74	\$7,727.74
Purchase Refinance	\$1,996,808.61	\$1,976,897.72
Construction	\$2,431,089.55	\$2,404,162.46
Land Loan	\$643,210.95	\$631,076.66
GRAND TOTAL	\$38,505,273.99	\$37,086,105.10

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Operations

St. Croix Office Buildings

SAFETY:

- Fire pump & fire sprinkler system annual inspection is due, and a requisition was made to the service company, Quick Response Fire Protection LLC.

SECURITY SYSTEMS / SECURITY SERVICES:

- A security monitor was installed at the security building to facilitate the vision in the monitored areas while security officers are at the building.
- Security Guard's Building renovation project was completed; A/C unit and telephone were installed.
- Security Monitor was installed. Currently awaiting installation of the desk which, should be completed by September 18, 2020

ENVIRONMENTAL CONDITIONS & AREAS:

- Common areas maintenance (CAM Services): Proposal for the restoration of landscaping and gardening services was approved. Initial work by Ambrosia Gardens began on September 9, 2020.

BUILDINGS:

- GERS Executive Offices Building: Roof repairs were completed. However, with the recent rainfall an old leak that apparently stopped started again. Roofing warranty & consulting company, Burke Industries, were contacted and are planning for correcting the problem.
- Casino Commission Control Building: Front entrance door shutter was installed by Eddies Glass. Some minor structural repairs were identified after the painting was completed and were brought to the attention of the contractor to be corrected.

MAINTENANCE

- 500 KW. Emergency Electric Generator: Monthly Maintenance Service was completed
- HVAC Systems: In August, we experienced issues with two unit's condenser fan motors, and they were corrected.
- Maintenance Storage Containers: Units are still under repair and will be painted when completed.
- Artificial Water Fountain: Main recirculating pump/motor was taken to the repair shop due to an overheating issue.
- Maintenance pressure washed the Building during the weekend of September 19th.

PROJECTS:

- Currently seeking proposals for replacement of glass doors between the lobby area and Loans and Benefits as well as the doors on the East side leading to the Assistant Administrator's Office.

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- Currently seeking proposals to replace damaged tiles in various areas at the GERS Executive Building.

St. Thomas Office Buildings

ESTIMATES FOR WATER PUMPS

- Two estimates were received for the purchase of the two defective pumps.

TRANSFORMERS REPLACEMENT

- The transformers project will proceed shortly.

REMOVING AND REWIRING OF IT SURGE PROTECTOR

- The surge protector in IT will be moved from its present location in order to protect the UPS.

GENERATOR SERVICE

- The generator was serviced, and minor repairs were done to fuel line connections and the technicians put coolant in the radiator.

Rental and Electricity Collections – Exhibit A

	August 2020	Total FYTD	Arrearages
Rental	\$145,825.56	\$881,087.20	\$65,658.95
Electric	<u>31,380.17</u>	<u>462,995.80</u>	<u>160,493.20</u>
Total	<u>\$ 177,205.73</u>	<u>\$1,344,083.00</u>	<u>\$226,152.15</u>

Human Resources

Pryor Online Learning Center

The Human Resources has enrolled about 60 employees across all job scopes at GERS and Havensight to the Pryor Learning Center. This allow for one-year unlimited access to each staff member sign up. Pryor Learning also allows managers to tailor training specific persons and/or jobs with tests at the end and CEU if need. Some courses available are:

- Administrative Assistant & Front Desk
- Business Writing & Grammar
- Computer Skills
- Computer Software
- Communication
- Management and Leadership
- Diversity & Inclusion

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- Customer Service
- COVID-19
- Finance & Accounting
- Human Resources
- Project Management
- Time Management

FEMA/Insurance

Continued to work with FEMA and VITEMA on a regular basis. Bi-monthly meeting scheduled to discuss projects and respond to requests for information. There is a vast amount of activity to include researching documentation, responding to requests for information, meetings and coordination required.

- We passed our first audit from the Office of Disaster Recovery.
- Working with VITEMA on the drawdowns for Havensight Mall cameras in the amount of \$419,995.04 and \$137,712.00 for the GERS Main Building – Hurricane Repairs.
- Received a check in the amount of \$15,000.00 for Category B at Havensight Mall.
- St. Croix Complex sent to FEMA CRC to review and clarify. Meeting was held to go through questions of measurements, invoices, and payments.
- Additional information and pictures requested by FEMA Havensight Mall and Warehouses.
- Insurance documentation requested by FEMA.

It was suggested to include properties at the Board of Trustees Retreat.

Committee Reports

Investment Committee – Chairman Callender - No Report. (b). Development Committee – Trustee Leona Smith – No Report (c). Medical Committee Report – Chairman Callender – Findings of cases will be discussed in Executive Session. (d). Budget Committee Report – Trustee Bowry – The Budget Committee met on September 21, 2020 via zoom and it has prepared a recommendation to the Board. (e). Policy Committee Report – Trustee Callwood – No Report.

The Budget Committee discussed 2019 Financial Audit status, review of Fiscal Year 2021 Budget, and Board Retreat status and planning. The 2019 Financial Audit is progressing and by September 30th a draft will be submitted to the Actuary. The target date for the Final draft will be presented at the Board retreat.

The Fiscal Year 2021 Budget entails a total expenditure of \$16.6M which is 14.5% less than year 2020. The Board of Trustees budget is reduced to about 29%, Administration with 2%, Facilities and Management reduced by 34%; Services and charges reduced by \$470K; the biggest reduction was in Capital Outlay consisting of \$2.3M; Personnel Services Budget includes \$254K for contracted compensation increases for unionize and exempt employees. The Budget Committee advised the staff that the 2021 Budget is may be revised depending upon decisions made at the October Board of Trustees Retreat.

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Therefore, the Budget Committee recommends that the Board approves the FY 2021 Budget of \$16,595,388.

Treasurer's Report

Denise Jeremiah, CFO read the Treasurer's Report for August 31, 2020 into the record.

Total Collections for August 31, 2020 is \$15.1M and FYTD is \$170.9M and Total Disbursements for August \$25.5M and FYTD is \$268.2M a Net Cash Deficit of \$10.4M and FYTD is \$97.3M

A motion was made by Trustee Callwood and seconded by Trustee Cohen to accept the Treasurer's Report. The motion passed with 5 Yes (Callwood, Bowry, Cohen, Smith, and Callender), 2 absent (Liger and McDonald).

Investment Officer's Report

Gustavo Bikkesbakker, Principal - Meketa Investment Group presented the Investment Report to the Board of Trustees. The topic discussed was the performance review for the month of August 2020. Total local assets not under Meketa are excluded from this report. As of August 31st, the total assets are at \$479,251,851; 12% in equity; 74% in fix income and 2% in alternative investments/private equity; 11% in cash of about (\$54M); Market Value quarterly YTD was 2.3%; YTD is 5.5%; and Fiscal YTD was 7.59%

Regular Session

A. New Business

i. Approve Carryover of the FY 2020 Budget for Further Discussion

Trustee Bowry reported that the Budget Committee has decided not to do the carry over. Instead recommended the approval of the FY 2021 Budget as submitted by management. A motion was made by Trustee Bowry for the Board of Trustees to approve the FY 2021 Budget in the total amount of \$16.6M for the purposes indicated. It was seconded by Trustee Cohen and the motion was passed with 5 yes (Callwood, Bowry, Cohen, Smith, and Callender) and 2 absent (Liger and McDonald).

ii. Approve the Salary Increases for FY 2021

The Budget Committee recognizes the Personnel Service Budget includes an amount of \$254K to cover contracted salary increases which included unionize and exempt employees. These salaries were approved by a resolution with the SIU (Supervisors Union and Steel Workers Unions). It stated the premise will be used across the board for all classification and that it has been represented in the amount stated in the budget. These increases were already negotiated.

iii. Approve the Decision of the Carambola NW LLC Board to Proceed with the dissolution of Carambola NW LLC.

The Administrator reported that the Carambola NW LLC Board meet on September 17th. Attending the meeting was Earl M. Powell, Leona Smith, and Chairman Callender, CFO Jeremiah, and General Counsel, Cathy Smith, Deepak Bansal, CPA outside Consultant, Tom

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Bolt, Corporate Counsel, Adam Marinelli, Board Counsel, Steve Gardy, Corporate Counsel, and Pedro Williams, Board Counsel. The transcripts for June 19, 2019 was approved; no chairman report and no correspondence; a financial report was shared by CFO Jeremiah, and two outstanding litigations. No separate motion was needed.

Motion was made by Trustee Smith to approve the decision of the Carambola NW LLC Board to proceed with the dissolution of Carambola NW LLC and it was seconded Trustee Cohen. The motion passed with 5 Yes (Callwood, Bowry, Cohen, Smith, and Callender), 2 absent (Liger and McDonald).

Regular Session

Motion made by Trustee Callwood and seconded by Trustee Cohen to go into Executive Session. The motion passed with 5 Yes (Callwood, Bowry, Cohen, Smith, and Callender) and 2 absent (Liger and McDonald).

Executive Session

Motion made by Trustee Smith and seconded by Trustee Bowry to come out of executive session. The motion passed with 5 Yes (Callwood, Bowry, Cohen, Smith, and Callender) and 2 absent (Liger and McDonald).

Regular Session

No action to report out.

Privileges of the Floor

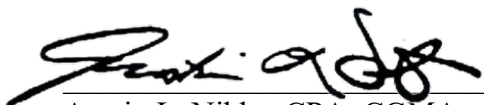
None

Adjournment

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

The meeting was adjourned at 1:07pm.

The minutes were transcribed from the recordings by Zaida Castro, Executive Assistant to the Administrator, and reviewed and edited by the Secretary to the Board.



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