

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

**St. Thomas/St. Croix via Zoom
Thursday, December 17, 2020
9:30 am**

**** AGENDA ****

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Secretary's Minutes (Regular: 11/20/2020)
- 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). Approval of 2021 Board Meeting Calendar
 - B. Unfinished Business
 - (i). Proposed New Language to Procedures for Election of Retirees to the Board

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). Sarauw V. GERS
 - (ii). Retainer Agreement
 - B. Unfinished Business
 - (i). Havensight Mall
- XIII. Privileges of the Floor
 - XIV. Adjournment

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

The Regular Meeting of the Board of Trustees for December 17th was called to order at 9:37a.m. The meeting was held via Zoom. At roll call, Trustees present were Callender, Callwood, Bowry, Cohen, Liger, Smith. McDonald was absent and Clendinen (ex-officio) was excused.

Staff in attendance: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Ishmael Meyers, Deputy General Counsel, Denise Jeremiah, CFO, Asiah Clendinen Gumbs, Acting COO, Roy L. Moorehead Jr., Chief Security Officer-Havensight Mall, 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 and Leandro Festino of Meketa Investment Group, Inc. A recording was made of the meeting. A stenographer was not present at the meeting. The recording will be made available to the stenographer.

Comments and Suggestions from Retirees

No comments from retirees.

Secretary's Minutes

Chairman Callender noted that Trustee Smith's name appears twice in roll call. Also, on page two, paragraph one, line 6 should be corrected to read as "Some Board members and the Administrator do **(remove does)** not believe this will be a reality for GERS.

A motion was made by Trustee Callwood and seconded by Trustee Cohen to approve the Secretary minutes for the November 20, 2020 Regular Board meeting with corrections. The motion passed with 4 yes (Cohen, Callwood, Bowry, Callender); 2 not voting (Liger and Smith) and 1 absent (McDonald).

Communications and Correspondences

None.

Chairperson's Report.

Chairman Callender reported that there continues to be a misunderstanding among GERS members and the community regarding the 42% reduction in benefits that was supposed to be in effect January 1, 2021. Members were assured by Chairman Callender that GERS Board of Trustees has no authority to decrease benefits; it's the responsibility of the Legislature.

Mrs. Clendinen Gumbs and team were recognized for executing an outstanding Christmas Social held on December 10th at Havensight Mall Parking lot.

Meetings, Presentations, and Appearances

November 23rd

1). Met with staff to formulate an SOP Re: Board ruling on physical exams for disability applicants.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

2). Met with Oversight Committee and Havensight Merchants Association
Re: Strategic alliance with hotels and Havensight Mall to increase foot traffic in the Mall.

November 24th – All staff meeting.

November 25th – Follow up meeting with Governor.

December 1st - Met with Oversight Committee and VIDT (Joe Boschulte) and his team Re: Notice to Quit and moving forward with negotiations.

December 8th – Testimony sent to the President of the Legislature Re: Bill No. 33-0446. Aldwin Frias (Segal Actuary) also attended.

December 9th – Testimony sent to Chairman, Committee on Finance Re: BR 20-1212. Attorney Smith represented GERS.

December 11th – RTW Hearing (Griffin v. GERS). CONTINUED.

December 15th – Guest on Straight Talk with Redfield.

Member Services

Retirement Applications -December 2020

	<u>Calendar Year</u>							
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
STX	147	111	118	179	143	93	4	
STT	<u>147</u>	<u>163</u>	<u>127</u>	<u>224</u>	<u>172</u>	<u>103</u>	<u>0</u>	
Total	294	274	245	403	315	196	4	
Processed	<u>293</u>	<u>273</u>	<u>245</u>	<u>400</u>	<u>301</u>	<u>82</u>	<u>0</u>	
Remaining	<u>1</u>	<u>1</u>	<u>0</u>	<u>3</u>	<u>14</u>	<u>114</u>	<u>4</u>	<u>137*</u>

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

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

Disability Life Certificates – As of November 30, 2020

2020 Duty/Non-Duty Disability Life Certificate Distribution

71 – U.S. Mainland

160 – Virgin Islands

231 (Initial letters were dated 2/20/2020 with 3/20/2020 response deadline.)

Follow Up

21 – U.S. Mainland

32 – Virgin Islands

53 (Follow-up letters were dated 10/28/2020 with 11/30/2020 response deadline)

177	Validated
0	Benefits Suspended
1	Deceased
53	Receipt of Life Certificate Pending
<u>231</u>	

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.

Contributions Processing

Refunds

	No. Cases <u>Completed</u>	Total <u>Amount</u>	No. Cases <u>Pending</u>
Regular	61	\$984,821.76	33
Erroneous	3	7,745.55	3
Employer Share	2	3,320.00	0
Overpayment	<u>20</u>	<u>75,417.33</u>	<u>1</u>
Total	<u>86</u>	<u>\$1,071,304.64</u>	<u>37</u>

Death Benefits

<u>Types</u>	No. Completed <u>10/1/20-09/30/2021</u>	Amount <u>10/1/20-9/30/2021</u>	No. of Cases to <u>be Completed</u>
Active	1	\$31,086.42	60
Retired	<u>0</u>	<u>0.00</u>	<u>28</u>
Total	<u>1</u>	<u>\$ 31,086.42</u>	<u>88</u>

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

Annuity Payments – November 2020

No. of retirees as of November 30, 2020 payroll: **8,691**

Total amount paid to retirees and pensioners from October 1, 2020– November 30, 2020
\$42,923,777.01

Number of retirees **added to payroll** from October 1, 2020– November 30, 2020: **38**

Number of retirees **added to the payroll** for the November 30, 2020 pay date. **17**

Number of retirees **expected to be placed on payroll** for the December 15, 2020 pay date: **10**

Number of retirees **deleted from payroll** from October 1, 2020 through November 15, 2020: **46**

Note: The gross retiree payroll for pay date November 30, 2020 was **\$10,741,455.17**

Member Loans Portfolio

PERSONAL LOANS

	9/30/2020	10/31/2020	11/30/2020
Active Personal Loans	1814	1791	1769
Retiree Personal Loans	864	852	844
Auto Loans	1	1	1
	2679	2644	2614

MORTGAGES

	9/30/2020	10/31/2020	11/30/2020
Construction/Home Improvement	21	21	21
Land	30	30	30
Purchase/Refinance	39	39	39
Totals	90	90	90

LOANS	September 2020	October	November
Active Personal Loan	\$20,362,233.23	\$19,555,273.70	\$19,029,287.23
Retiree Personal Loan	10,764,416.67	\$10,466,931.27	\$10,215,675.96
Auto Personal Loan	\$7,727.74	\$7,727.74	\$7,727.74
Purchase Refinance	\$1,981,293.41	\$1,965,713.37	\$1,945,161.58
Construction	\$2,284,517.08	\$2,269,603.01	\$2,259,954.95
Land Loan	\$642,876.68	\$628,894.41	\$625,127.79
GRAND TOTAL	\$36,043,064.81	\$34,894,143.50	\$34,082,935.25

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

Operations

St. Croix Office Buildings

SECURITY SYSTEMS / SECURITY SERVICES:

- Annual Inspection for Fire Protection System was scheduled for the week of November 9, 2020 however, it was delayed once more, no confirmed date yet at the time of this report.

ENVIRONMENTAL CONDITIONS & AREAS:

- COMMON AREAS MAINTENANCE: (CAM SERVICES) Landscaping: Plants were ordered and Company is currently awaiting arrival of same start this phase of work.

PROJECTS:

- Security Doors Installation: Armrey Industries are currently awaiting the delivery of the doors from P.R.
- Executive Offices Floor Building: Damaged Floor Tiles replacement; Two (2) proposals were received and one more was requested.
- Landscaping & Gardening Project:
One phase of this project has been completed; the plants are in the ordering process

St. Thomas Office Buildings

AIR CONDITIONER / CHILLERS WORK PROGRESS

AC Ducts project on the 3rd and 2nd floors during the week of December 7th and December 14th

NORTHERN FLAT ROOF PROJECT

- The Northern flat roof has deteriorated to the point that it leaks profusely whenever it rains heavily.
- The Legal Counsel offices is impacted. The corridor on the North and West are leaking as well.
- The roof project has started.

TILE PROJECT

- The tile project is 100% complete

LIGHTING PROJECT

- The exterior lighting project is 75% complete.

SURVEILLANCE CAMERAS PROJECT

- The surveillance cameras project is 50% completed and is progressing smoothly.

FIRE ALARM SYSTEM

The fire alarm system is 100% completed. An inspection of the system by GERS was conducted on Friday, December 4, 2020.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

ORDERED PUMPS

- The two cistern water pumps that are on order will arrive on island this month. GERS has been using WAPA portable water during the last three or four months at an average of 950 gallons per each operating day. Before the COVID-19 Pandemic, the average day's usage was 1,300 gallons per each day of operation.

OTHER CAPITAL PROJECTS

- Lobby/Atrium/ Restrooms Renovations - Building Code assessment was completed.
- The main lobby stairs must be replaced as it not up to code. All other areas are within current code guidelines.
- The project entails changing lobby/atrium configuration and design for security and ADA compliance with access to 1st floor restrooms, and seating. Replace dated "out of code" main stairwell.
- Change cooper piping in restrooms, install energy efficient lighting, faucets, and urinals and ventilation system with new janitorial closets on all three (3) floors, upgrading to modern design.
- Springline Architecture selected as architects on the project – final proposal given additional work per the code with the stairwell is forthcoming and contract pending.

FEMA REIMBURSEMENT

FEMA released a check through VITEMA for \$419,000. This reimburses the GERS for the 137 security cameras installed at the Havensight Mall at a 90% rate. The cameras were destroyed in the 2017 Hurricanes.

LEASE AGREEMENTS

(Board voted for one-year lease terms only; letter sent to tenants pending lease agreements)

Plessen Ophthalmology – Current

Plessen Admin – Current

Plessen ASC – Current

Plessen Trailer – Current

First Bank – Current – 2nd Option Lease Renewal signed.

Virgin Islands Finance Housing Authority – Current one-year lease

October 1, 2020 to September 31, 2021. New lease was approved by their board and GERS for one year.

Division of Personnel – Letter being prepared for one-year lease. New Agreement Pending – Current Status: Property and Procurement

Department of Justice – Letter being prepared for one-year lease. New Agreement Pending – Spoke to Attorney General and Attorney Carol Jacobs about completing.

Casino Control Commission – Letter sent and received about a one-year term only.

Final Draft Lease pending with GERS with VICCC Edits – Last meeting held on Tuesday, September 21, 2020

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

ResCare (Job corps) – Letter being prepared for one-year lease notification. Spoke to a representative, payments made on the old lease; new lease still pending.

Rental and Electricity Collections – Exhibit A

	Nov.2020	Total FYTD	Arrearages
Rental	\$15,637.12	\$27,244.89	\$98,097.88
Electric	<u>0.00</u>	<u>777.07</u>	<u>273,924.18</u>
Total	<u>\$ 15,637.12</u>	<u>\$28,021.96</u>	<u>\$372,022.06</u>

The Acting Chief Operating Officer Clendinen-Gumbs reported that the last serious delinquent letters regarding tenants outstanding arrearages were sent to Office of Management and Budget Director, Jenifer O’Neal and this should be rectified as well as rental payments of which Department of Finance is processing.

Human Resources

Strategic Planning and Organization Development

New Strategic Plan letter was sent to Dr. Hall at the University of the Virgin Islands. Dr. Haldane Davies indicated receipt of the letter. A new MOU and a shortened timeline will be drafted for review. Two UVI colleagues will also be assigned to work with him on this project. Collaboration meetings will begin in January.

Staff Meetings

All Staff meeting was held on 11/24/2020: 101 attendees.

Events

- All staff members received Thanksgiving card and \$25 gift from Cost U less
- Annual Employee Recognition, Appreciation Christmas movie night & dinner on Tuesday, December 8, on St. Croix and Thursday, December 10, on St. Thomas.
- GERS engaged in the Department Personnel, GVI’s Employees celebration of the year in support of Ernestina De Sena Frias -STX office and Dave O’Garro – STT office.

Central Labor Council Trustee

Andre Dorsey’s nomination as the Central Labor Council Trustee was approved by the Committee of the Whole last week. Mr. Dorsey contacted me on Monday. I informed Mr. Dorsey that before he can participate officially as the designated trustee, GERS must receive an appointment letter from the Office of the Governor, and he must execute an Oath of Office.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

ST. CROIX RETIREE SPECIAL ELECTION

Proposed election schedule.

January 8, 2021

GERS announces notice of the election and nomination packets are available.

February 8, 2021

Nomination packets are due back to GERS by 5:00pm.

February 11, 2021

GERS begins the candidate vetting process reviewing nomination packets.

February 16, 2021

Candidates notified by GERS.

February 22, 2021

GERS provides YesElections with the eligible voter file data and candidate information.

March 8, 2021

Election opens. Ballots are mailed and online/telephone voting opens at 9:00am.

April 8, 2021

Election closes at 5:00pm

April 15, 2021

Yes Elections provides results.

April 19, 2021

GERS announces the results.

Administrator Nibbs confirmed to the Board that all procedures were followed and credentials were vetted for the Board of Trustee Retiree selection; all credentials were requested and the file was shared with the Board. Mr. Nibbs recommended to talk about the statutory requirements at Executive Session and the Board agreed.

Trustee Smith asked if there are tenants at Havensight Mall that have closed their business because of COVID. Some businesses have asked to close and it is the Administrator position that an agreement with GERS is needed. The tenant will need to look for a substitute tenant with a lease at same rate, and arrearages will be the tenants' responsibility because they are still legally obligated to pay GERS.

According to Administrator Nibbs, the generator is serviced every month at GERS complex.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

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 – Trustee Bowry reported to receive a budget for FY 2021 Havensight Mall operations and FY 2022-2023 Projections. A meeting has yet to be scheduled for reasons explained in a letter sent to the Board of Trustees. These concerns will be discussed further in Executive Session. Policy Committee Report – This is Trustee Callwood's last Board of Trustees meeting and she thanked everyone for a wonderful experience during her tenure.

Treasurer's Report

Denise Jeremiah, CFO read the Treasurer's Report for November 30, 2020 into the record. Total Collections for November 30, 2020 is \$13.6M and FYTD is \$25.2M and Total Disbursements for November 30, 2020 \$24.1M and FYTD is \$47.9M a Net Cash Deficit of \$10.4M and FYTD is \$22.7M

Havensight Mall

Denise Jeremiah, CFO read the Treasurer's Report for the Havensight Mall for November 30, 2020 into the record.

Total Collections for November 30, 2020 is \$119K and FYTD is \$230K (Rent \$119K & Miscellaneous \$0.00) and Total Disbursements for November 30, 2020; \$199K (Personal Services \$78K, Fringe Benefits \$39K, Supplies 10K, Other Services \$36K, Utilities \$1K, Capital \$34K) and FYTD is \$608K and a Net Cash Deficit of \$80K and FYTD is \$377K

A motion was made by Trustee Cohen and seconded by Trustee Smith to accept the Treasurer's Report. The motion passed with 6 yes (Callwood, Bowry, Cohen, Liger, Smith, Callender); 1 absent (McDonald).

Investment Officer's Report

Meketa Investment Group made a presentation to the to the Board of Trustees which excludes local assets. The topic discussed was the performance review for the month November 30, 2020.

Cash Flow summary for the month of November 2020 shows a withdrawal of \$15M and a cash return of 0.02%. Cash Flow YTD shows a total withdrawal of \$123.3M and Net Investment change of \$32.8M, Ending Market Value of \$454.9M and a YTD return of 6.97%.

Asset Allocations:

Total Equity - 13%

Total Fixed Income - 79%

Alternative Investments Assets - 3%

Cash - 5%

Domestic Equity Assets are about 13.3% (BlackRock Russell 1000 Index).

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

Regular Session

A. New Business

i. Approval of 2021 Board meeting Calendar.

The Board meeting scheduled for June 24th was changed to June 17th so that Board Counsel and General Counsel can attend The National Association of Public Pension Conference from June 22nd – 25th. The Board meeting scheduled for December 23rd was changed for the 16th. The Board retreat is usually held in July. Last year it occurred virtually in October. Administrator Nibbs recommended to continue in July and the Board agreed. The Board retreat dates are to be determined and the July 22, 2021 Board meeting is eliminated.

A motion was made by Trustee Bowry and seconded by Trustee Liger to accept the Board of Trustee Calendar for FY 2021 as discussed. The motion passed with 6 yes (Callwood, Bowry, Cohen, Liger, Smith, Callender); 1 absent (McDonald).

B. Unfinished Business

ii. Proposed New Language to Procedures of Election of Retirees to the Board

On Page 1, item numbers one and two explains why GERS would extend the deadline in the election process when in search for a Board of Trustee Retiree to demonstrate all efforts have been applied and exhausted and lists its procedures.

Item C - Voting Method - was corrected to read as “ Voting may be by on-site election (poll voting), mail – in ballots, interment, or telephone.”

Item E - Announcement of Election Results – third paragraph, last sentence, was corrected to read as “The newly elected members shall be eligible to participate as members of the board at the first regular meeting after receipt of the official appointment letters.”

A motion was made by Trustee Cohen and seconded by Trustee Bowry to accept the proposed new language to procedures of election of retirees to the Board as amended. The motion passed with 6 yes (Callwood, Bowry, Cohen, Liger, Smith, Callender); 1 absent (McDonald).

Regular Session

A motion made by Trustee Bowry and seconded by Trustee Callwood to go into Executive Session. The motion passed with 6 yes (Callwood, Bowry, Cohen, Liger, Smith, Callender); 1 absent (McDonald).

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 17, 2020

Executive Session

Motion made by Trustee Smith and seconded by Trustee Cohen to accept the Administrator's recommendation to extend the deferment to the end of March 2021 for the Havensight Mall tenants whose businesses rely 100% on cruise ships traffic. The motion passed with 6 yes (Callwood, Bowry, Cohen, Liger, Smith, Callender); 1 absent (McDonald).

Motion made by Trustee Cohen and seconded by Trustee Callwood to come out of Executive Session. The motion passed with 4 yes (Callwood, Bowry, Cohen, Callender); 3 absent (Liger, McDonald, and Smith).

Privileges of the Floor

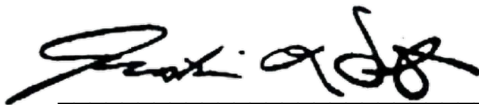
None.

Adjournment

Motion made by Trustee Callwood and seconded by Trustee Cohen to adjourn the meeting. The motion passed with 4 yes (Callwood, Bowry, Cohen, Callender); 3 absent (Liger, McDonald, and Smith).

The meeting was adjourned at approximately 12:52pm.

The minutes for the Regular Session were transcribed from the zoom recording by Zaida Castro, Executive Assistant to the Administrator, and reviewed and edited by the Secretary of the Board.



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

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

December 17, 2020

EXHIBIT A

	November 2020 Collection							
	Rental Collection	Electrical Collection	Rental Year-To- Date Collection for FY 2020	Electrical Year-To- Date Collection for FY 2020	Total Year-To-Date Revenue Collection	Rental Arrearage	APPROVED RENTAL DEFERMENT	Electrical Arrearage
Department of Justice	\$ -	\$ -			\$ -	\$ 74,126.00	\$ -	\$ 204,792.74
Division of Personnel	-	-			-	13,189.44	-	66,628.44
FirstBank	290.00	-	580.00	105.50	685.50	-	-	114.86
Ophthalmology Consultants, LLC	6,365.40		12,730.80		12,730.80	-	-	-
Plessen Eye, LLC_ADMIN	4,009.28		4,009.28		4,009.28		\$8,018.56 May-June 2020	-
Plessen Eye, LLC_ADMIN STORAGE	580.00		580.00		580.00	580.00	\$1,740 May-June 2020	-
Plessen Eye, LLC_ASC	4,392.44		4,392.44		4,392.44	4,392.44	\$8,784.88 May-June 2020	-
ResCare (JobCorps)	-	-	4,952.37	671.57	5,623.94	-	-	
VI Housing Finance Authority	-	-			-	5,810.00	-	2,388.14
VI Casino		-			-	-	-	
Total income Received	\$ 15,637.12	-	27,244.89	777.07	28,021.96	98,097.88	18,543.44	273,924.18