

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

**St. Thomas/St. Croix via Zoom
Thursday, June 17, 2021
9:30 am**

**** AGENDA ****

- I. Call to Order
- II. Roll Call
- III. Comments and Suggestions from Retirees
- IV. Comments and Suggestions from Active Members
- V. Secretary's Minutes (Regular: 05/27/21)
- VI. Communications and Correspondences
- VII. Chairperson's Report
- VIII. Administrator's Report
- IX. Committee Reports
- X. Treasurer's Report
- XI. Investment Officer's Report
- XII. REGULAR SESSION
 - A. New Business
 - (i). Discussion on Bill No. 34-0067
 - B. Unfinished Business
 - (i). Recommendation for Honoring and Commending Retiring Trustees
 - (ii). Ratify Poll Vote for Havensight Oversight Committee's Recommendation for Havensight Mall Tenants
- XIII. **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. Unfinished Business
 - (i). Personnel Matters
- XIV. Privileges of the Floor
- XV. Adjournment

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

June 17, 2021

The Regular Meeting of the Board of Trustees for June 17, 2021 was called to order at 9:55am. The meeting was held via Zoom. At roll call, Trustees present were Trustee Callwood, Clendinen (Ex-Officio), Dorsey, Russell, Smith, and Bowry. Trustees not present were Liger and McDonald.

Staff in attendance: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Ishmael Meyers, Deputy General Counsel, Asiah Clendinen Gumbs, COO, Glenville Henderson, Investment Analyst, Roy Moorehead Jr., Chief of Security-Havensight Mall, Sakeeda Freeman, Communication Specialist, Kathleen LeBlanc, Accountant-Havensight Mall, LeSean Moses, IT, and Nikia Coley, Administrative Assistant to the Board of Trustees.

Also, present in the meeting were Pedro Williams, Board Counsel, Kelsha Williams, Attorney in the Office of Pedro Williams,

Retirees and Active Members Present: Ms. Helen Hart, President for the Government Retirees United for Fairness (GRUFF), Randolph Thomas, member of GRUFF, Acquanette Chinnery, Annette Scott and several others.

Comments and Suggestions from Retirees

Retiree group, GRUFF, Government Retirees United for Fairness, presented to the Board a proposal in support of the Gasoline Excise Tax as a financial source for the System. The amount request is about \$60,000.00.

Secretary's Minutes

A motion was made by Trustee Smith and seconded by Trustee Dorsey to approve the Secretary minutes for the May 27, 2021, Regular Board meeting. The motion passed with 4 yes (Callwood, Dorsey, Smith, Bowry), 2 absent (Liger and McDonald) and 1 abstain (Russell).

Communications and Correspondences

The Legislature of the Virgin Islands, Committee on Finance Chairman, Senator Kurt Vialet, submitted to GERS an invitation to present testimony of a bill proposed by Senator Dwane M. DeGraff, Bill No. 34-0067, "An Act Amending title 33, Subtitle L Part I, chapter 3, to increase Hotel room tax by 2.5% and remit 5% of all monies collected to GERS and for other purposes" scheduled for Thursday, June 24, 2021.

On June 7, 2021, Administrator Nibbs submitted e-mail to Attorney General, Denise George, notice to vacate premises influenced by outstanding rentals and electric bills. As a result, Department of Justice submitted full payment of the amount owed to GERS.

Chairman Bowry's Report

Chairman Bowry (1) officially welcomed Attorney Ronald Russell as the new Retiree Trustee; (2) Encouraged to hear that the Governor is willing to secure bond financing for the System.

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

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Administrator's Report

Meetings, Presentations, and Appearances

- May 25th Attended presentation by marketing consultant at Havensight Mall Oversight Committee meeting.
- May 26th Attended the Community Business Form – Part 3 presented by the Office of the Governor.
- June 4th Attended the Municipal Finance presentation hosted by VI Public Finance Authority.
- June 9th One-on-one meetings with Havensight Mall tenants.
- June 10th Site inspection with owner's representative of the newly erected metal buildings and the fencing and gates at the Havensight Mall.
- June 11th Attended the USVI Hotel and Tourism Association Annual General Meeting. Havensight Mall is a new member. Governor Albert Bryan was the guest speaker.

Member Services

Retirement Applications - as of June 15, 2021

	<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	178	143	114	40	
STT	<u>147</u>	<u>164</u>	<u>127</u>	<u>224</u>	<u>172</u>	<u>123</u>	<u>57</u>	
Total	294	275	245	402	315	237	97	
Processed	<u>293</u>	<u>274</u>	<u>245</u>	<u>401</u>	<u>313</u>	<u>203</u>	<u>18</u>	
Remaining	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>34</u>	<u>79</u>	<u>118*</u>
	99%	99%	100%	99%	99%	86%	19%	

* Includes the central government and autonomous agencies.

Disability Life Certificates – As of May 30, 2021

2020 Duty/Non-Duty Disability Life Certificate Distribution

71 – U.S.
Mainland

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

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160 – Virgin

Islands

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

Follow Up

Benefits were suspended with the May 15, 2021, payroll for the 28 disability retirees benefits were suspended because they did not return a life certificate.

14 – U.S.

Mainland

14 – Virgin

Islands

28 Pending Responses

Status Update: We received 15 life certificates and those retirees were reinstated on the Payroll for June 15, 2021. 13 life certificates are still pending.

Reconciliation and Control - Contribution Processing

October 1, 2020 – May 31, 2021

Refunds	No. Cases <u>Completed</u>	Total <u>Amount</u>	No. Cases Pending
Regular	227	\$4,027,413.19	63
Erroneous	14	35,154.70	0
Employer Share	3	4,209.09	0
Overpayment	<u>137</u>	<u>350,796.21</u>	<u>8</u>
Total	<u>381</u>	<u>\$4,417,573.19</u>	<u>71</u>

October 1, 2020 – May 31, 2021

Death Benefits

<u>Types</u>	<u>No. Completed</u>	<u>Amount</u>	No. of Cases <u>Pending</u>
Active	26	\$1,007,219.04	49
Retired	<u>8</u>	<u>470,182.25</u>	<u>25</u>
Total	<u>34</u>	<u>\$ 1,477,401.29</u>	<u>74</u>

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

June 17, 2021

Accounting

Department

Annuity Payments

No. of retirees as of June 15, 2021, payroll: **8,698**

700	Pensioners	\$4,863.90		
702	Service Retirement Annuities	157,029,717.31		
703	Survivors' Annuities	1,014,073.10		
704	Duty-Connected Death Annuities	4,696.20		
705	Duty-Connected Disability Annuities	1,956,845.94		
706	Non-Duty Disability Annuities	993,073.11		
	Totals		160,998,405.66	w/o Pensioners
			161,003,269.56	W/Pensioners

Cumulative dollar paid out from October 1, 2020 – June 15, 2021

Number of retirees added to payroll from October 1, 2020 – June 15, 2021. **237**

Number of retirees added to the payroll for the June 15, 2021, pay date. **29**

Number of retirees expected to be placed on payroll for the June 30, 2021, pay date: **7**.

Number of retirees deleted from payroll from October 1, 2020, through June 15, 2021: **238**.

Note: The Gross Retiree Payroll for June 15, 2021, payroll is \$10,805,700.56.

Active Employees - May 2021 – 8,792

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

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Member Loans Portfolio

PERSONAL LOANS	DATE		
	5/31/2021	STT	STX
Active Personal Loans	1573	833	740
Retiree Personal Loans	785	449	336
Auto Loans	0	0	0
	2358	1282	1076
MORTGAGES			
Construction/Home Improvement	21	11	10
Land	30	24	6
Purchase/Refinance	35	24	11
Totals	86	59	27
TOTAL LOANS & MORTGAGES	2,444	1,341	1,103

TOTAL OUTSTANDING			
<u>May 2021</u>	Total	STT	STX
Active PL -	\$ 14,840,291.32	\$ 8,278,924.00	\$ 6,372,769.22
Retiree PL -	8,732,535.28	4,913,071.72	3,746,562.43
Auto PL -	-	-	-
Purchase/Refi -	1,836,387.42	1,249,601.87	586,785.55
Construction -	2,163,811.96	1,286,922.80	876,889.16
Land Loans -	592,173.59	507,635.35	56,352.75
GRAND TOTAL	\$ 28,165,199.57	\$ 16,236,155.74	\$ 11,639,359.11

Facility Management

St. Croix Office Complex

- All Projects have been completed.

St. Thomas Office Complex

Water Pumps and Tank

- Annual maintenance of UV Light and Filters completed.

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Generator

- Annual service completed.

Hip Roof Replacement

Pre-Bid Conference held on June 8, 2021. Three (3) potential bidders were in attendance

Air Conditioner Project

- Dismantled old air handlers and install new ones at 2nd and 3rd floor South scheduled for the week of June 28, 2021.

Next Steps in Air Conditioner Project

- Connect VAVs.
- Install Central Air Control System
- Redesign as necessary (diffusers and returns) to ensure proper airflow throughout the building.
- Anticipated project completion date – New Date August 2021

Drywall Project

Removal of old, water damaged drywall under northern roof on 3rd Floor, walls throughout the building with old fire equipment/ holes. Project started June 4, 2021. Anticipated completion July 16, 2021.

OTHER ONGOING CAPITAL PROJECTS

- **Lobby/Atrium/ Restroom Renovations/ ADA Compliance** – Architect Contract signed, and the GERS received designs/drawings.
- **Transformer Replacements**
- **Fencing Repair and Construction at GERS Main Building**
 - o New Columns/Fence/Gate around Chiller in rear uncovered parking lot and around the campus.

Appraisals

Completed for the St. Thomas and St. Croix complexes.

Rental and Electricity Collections – Exhibit A

	May 2021	Total FYTD	Arrearages
Rental	\$56,807.92	\$507,216.32	\$112,677.72
Electric	<u>25,414.77</u>	<u>401,432.43</u>	<u>88,377.72</u>
Total	<u>\$82,222.69</u>	<u>\$908,648.75</u>	<u>\$201,055.44</u>

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

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Operations

Leases

Division of Personnel

Update. Awaiting transmittal to DOJ and Governor.

Department of Justice

Update. Notice to Vacate Premises sent to DOJ for \$257K in back rent and electricity. DOJ AG, Asst. AG, and CFO made contact and notified the GERS that Property and Procurement Commissioner approved rent and electricity (copies of approval received) for March, April, May, and June of 2021 to be entered for payment in the ERP. To date, the GERS is not in receipt of those monies.

Casino Control Commission

Update. Executive Director Marvin Pickering has advised that the finalization of the lease is under consideration will respond with 2-3 weeks.

Strategic Planning and Organization Development

April 12, 2021 - Forwarded documents and reports to the UVI Strategic Team at UVI.

UVI Strategic Team met with GERS Staff Mandatory - Friday, February 19, 2021

- 10 a.m. UVI Strategic Team met GERS Board of Trustees - Tuesday, February

23, 2021, - 5:30 p.m. Community at Large - Thursday, March 16, 2021, 6 p.m.

Business Community - Thursday, March 18, 2021, 6 p.m.

Retired Members - Thursday, March 23, 2021, 6 p.m.

Active Members - Tuesday, March 25, 2021, 6 p.m.

UPDATE. Meeting with the Senate held on June 1, 2021, from 12:30 p.m. to 2:00

p.m. Meeting with the Governor and the Financial Team still pending.

FEMA/INSURANCE:

GERS responded to FEMA to continue the process to obtain the Warehouse 428 monies. The GERS can withdraw at any time.

Other

BOARD RETREAT – Via Zoom

July 7th, 8th, and 9th.

Tentative Agenda Day One

Investment Advisor (Meketa Investment Group) Actuary (Segal)

Auditor (Bert Smith & Co.)

Day Two

Governance and Ethics Strategic Plan 2021-2026 (UVI)

Pending Legislations and Update on Legislative Subcommittee Senior Management Presentations

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

June 17, 2021

Day Three

Continuation – Senior Management Presentations Wrap up and Action Items

NEW TRUSTEE ORIENTATION

Committee Reports

Investment Committee - No Report. (b). Development Committee – No Report (c). Medical Committee Report - No Report (d). Budget Committee Report – No Report. (e). Policy Committee – No Report.

Treasurer's Report

Administrator Nibbs read the Treasurer's Report for the System for May 31, 2021, into the record. Total Collections for May 31, 2021 is \$13.5M and FYTD is \$112.1M and Total Disbursements for May 31, 2021, is \$24.7M and FYTD is \$191.9M; a Net Cash Deficit of \$11.2M and FYTD is \$79.8M.

Kathleen LeBlanc, read the Financial Report for the Havensight Mall for May 31, 2021, into the record.

Total Collections for May 31, 2021 is \$119.5K and FYTD is \$1.6M and Total Disbursements for May 31, 2021; \$350.9K and FYTD is \$2.7M and a Net Cash Deficit of \$231.4K and FYTD is \$1M.

A narrative was included on both reports explaining the cashflow of the System.

A motion was made by Trustee Callwood and seconded by Trustee Dorsey to accept the Treasurer's Report for May 31, 2021. The motion passed with 4 yes (Callwood, Dorsey, Smith, and Bowry), 2 absent (Liger and McDonald), and 1 abstain (Russell).

Investment Officer's Report

Glenville Henderson, Investment Analyst reported:

Total Plan Return is 0.8% for the month of May 31, 2021; Total Fixed Income Portfolio is 0.2% and underperformed its benchmark by 10bps; Total Alternatives Return is 4% and outperformed benchmark by 310bps due to distributions received from the Mesirow Fund (Fund IV and V). Year to date total plan is -0.2%

Pugh Capital Return is 0.4% and outperformed its benchmark by 3bps; US Debt Index return is 0.3%

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The monthly cashflow update ended with \$460.1M (excludes Members Loans Program and St. Thomas/St. Croix office complexes); Beginning Market Value is \$471.3M; Net Cash Flow is \$15M, Income is \$288K; Gain/Loss \$3.6M; Ending value of \$460.1M.

Investment Management/Custodian/Consulting Fees for the month of May is \$15K for custodian bank fees; YTD is \$134K (\$88K for investment management; \$31K for investment consulting; \$15K for custodian bank services); and FYTD \$239K (\$176K for investment management; \$31K for investment consulting services; and \$32K custodian bank services).

Security Lending – MTD collected \$1.5K; YTD collected \$5K and FYTD collected \$6K.
Regular Session

Regular Session

- A. New Business
- i. Discussion on Bill No. 34-0067

Administrator Nibbs presented to the Board a brief testimony of Bill No. 34-0067 to submit to the Legislature.

Trustee Russell will submit to the Board a proposal addressing insolvency and recommendations coinciding with Bill No. 34-0067 for a future open discussion with Trustees at the upcoming Board of Trustees Retreat. Chairman Bowry will approach the Chairperson of the Committee on Finance Subcommittee of the Legislature, Senator Vialet, to suggest that Trustees participate in the next meeting and share Trustee Russell's proposal.

- B. Unfinished Business
- i. Recommendation for Honoring and Commending Retiree Trustees

A motion was made by Trustee Callwood and seconded by Trustee Dorsey to approve Resolution 9-2021, to honor and commend retiring trustees for their service to the Government Employees Retirement System. The motion passed with 4 yes (Callwood, Dorsey, Smith, Bowry), 2 absent (Liger and McDonald), and 1 abstain (Russell).

- ii. Ratify Poll Vote for Havensight Oversight Committee Recommendations for Havensight Mall Tenants.

A motion was made by Trustee Callwood and seconded by Trustee Dorsey to Ratify Poll Vote for Havensight Oversight Committee Recommendations for Havensight Mall Tenants. The motion passed with 4 yes (Callwood, Dorsey, Smith, Bowry); and 2 absent (Liger and McDonald) and 1 abstain (Russell).

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

June 17, 2021

A motion was made by Trustee Callwood and seconded by Trustee Dorsey to go into Executive Session. The motion passed with 5 yes (Callwood, Dorsey, Russell, Smith, and Bowry); and 2 absent (Liger and McDonald). **This portion of the meeting will be closed to the public for matters pertaining to trade secrets/or financial or commercial information; or matters whose premature disclosure will frustrate the implementation of the proposed agency action.**

Executive Session

A motion was made by Trustee Callwood and seconded by Trustee Dorsey to come out of Executive Session. The motion passed 5 yes (Callwood, Dorsey, Russell, Smith, and Bowry) and 2 absent (Liger and Smith).

Privileges on the Floor

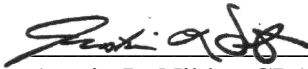
Chairman Bowry reported out that The Board of Trustees ratified a six-month extension to the Administrator's contract from June 30th until December 31st.

Trustee Russell encouraged the Board to lobby the Senate about GERS insolvency.

Adjournment

The meeting was adjourned for lack of quorum at 12:12pm.

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



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