

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

**St. Thomas/St. Croix via Zoom
Thursday, December 22, 2022
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: 11/28/22)
- 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). 2023 Board Meeting Calendar
 - (ii). Discussion of Bill No. 34-0370

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. New Business
 - (i). L. Sarauw Oral Arguments
 - (ii). P. Williams Retainer Agreement
- XIV. Privileges of the Floor
- XV. Adjournment

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 22, 2022

The Regular Meeting of the Board of Trustees for December 22, 2022, was called to order at 9:32a.m. The meeting was held via Zoom. At roll call, Trustees present were Bowry, Liger, Russell, Smith, and Callwood. Trustee Dorsey was excused. Trustee McDonald was absent. A quorum was established with 5 voting Trustees present. Ex-officio member Cindy Richardson 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, Glenville Henderson, Investment Analyst, Sakeeda Freeman, Communication and Member Education Specialist, Zaida Castro, Executive Assistant to the Administrator, Nikia Coley, Administrative Assistant to the Board of Trustees, and LeSean Moses IT.

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

Don Buchanan of VI Source, Nicole King-Richardson, Attorney for Levron Sarauw and Levron Sarauw were in attendance.

Chairman Callwood requested to go to into Executive Session. Trustee Russell requested for a point of personal privilege and stated that he was not in agreement to go into Executive Session. Chairman Callwood denied his request for personal privilege because a motion was on the floor.

A motion was made by Trustee Smith and seconded by Trustee Liger to go into 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. The motion passed with 4 Yes (Bowry, Liger, Smith, Callwood), 1 No (Russell) and 2 Absent (Dorsey and McDonald).

Executive Session

A motion was made by Trustee Smith and seconded by Trustee Bowry to come out of Executive Session. The motion passed with 4 Yes (Bowry, Liger, Smith, Callwood) and 3 Absent, (Dorsey, McDonald, Russell).

Comments and Suggestions from Retirees

No comments and suggestions from retirees.

Comments and Suggestions from Active Members

No comments and suggestions from active members.

Secretary's Minutes

Corrections for the November 28, 2022, minutes

On page 10, under Investment Officer's Report, first paragraph and second sentence should read, "total fixed income portfolio return was -0.4%. The dollar sign is deleted and replaced with a percentage sign.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 22, 2022

A motion was made by Trustee Smith and seconded by Trustee Bowry to approve the Secretary minutes for the November 28, 2022, Regular Board meeting with corrections. The motion passed with 4 Yes (Bowry, Liger, Russell, and Smith,), 1 Not Voting (Russell), and 2 Absent (Dorsey and McDonald).

Communications and Correspondences

A Notice to Quit and Vacate Premises correspondence was submitted to Attorney General Denise George on December 2, 2022. Prior to the Board meeting, the lease was signed by the Department of Justice.

Administrator Nibbs received an invitation from the 34th Legislature to testify before the Committee of the Whole on December 29, 2022, on Bill No. 34-0370 – “ A Resolution mandating the President of the 34th Legislature of the Virgin Islands to institute a civil action against GERS for its failure to implement the provisions of title 3 Virgin Islands Code section 717(b)(17), 717(c), 719(b), 766(b)(17), 766(b)(18), and 766(c).”

An E-Mail from Administrator Nibbs was sent to Delegate to Congress Stacey Plaskett requesting to meet with the Delegate on January 24, 2023, as Board members plan to attend the NCPERS Annual Legislature Conference in Washington DC.

Correspondence (Second Notice) was sent to Schneider Regional Medical Center Chief Executive Officer, Tia Comissiong, Esq, MPA on December 14th, addressing the outstanding Employer-Employee contributions of about \$1.1M.

Chairperson’s Report

Chairman’s Callwood reported that he attended the Annual Staff Appreciation and Training on December 12th.

Administrator’s Report

Meetings, Presentations, and Appearances

November 21/23 - Meetings with tenants, Nov 29th - Joint Divisions/Activity Centers Meeting – Internal Issues, SOPs.

December 1st - Meeting with GAO (Government Accountability Office), Dec. 6th - Meeting with Accounting/Legal – Collection issues at Havensight Mall, Dec. 12th Re: Attended the Annual Employee Recognition Activities, Dec. 13th - Investment Committee Meeting, Dec. 14th - Attended the Annual Christmas Tree Lighting at Havensight Mall, Dec. 16th - Meeting with Staff to Discuss Bill No. 34-0370, Dec. 19th - Attended the Havensight Mall Oversight Committee/Management meeting, and Dec. 20th -Joint Divisions/Activity Centers Meeting – Internal Issues, SOPs.

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
December 22, 2022**

Member Services

Retirement Applications - as of December 15, 2022

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
STX	147	111	118	177	143	114	164	137	6	
STT	<u>147</u>	<u>164</u>	<u>127</u>	<u>224</u>	<u>172</u>	<u>124</u>	<u>179</u>	<u>156</u>	<u>2</u>	
Total	294	275	245	401	315	238	343	293	8	
Processed	<u>293</u>	<u>275</u>	<u>245</u>	<u>400</u>	<u>315</u>	<u>236</u>	<u>335</u>	<u>102</u>	<u>0</u>	
Remaining	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>8</u>	<u>191</u>	<u>8</u>	<u>211*</u>
	99%	100%	100%	99%	100%	98%	92%	35%	0%	

Life Certificates / Disability Cases – As of December 5, 2022, The

86 Disability Annuitants living in the US.

177 Disability Annuitants residing in the Virgin Islands

263

To date, a total of 259 were returned to the office.

DISABILITY CASES

There are a total of four **(4)** disability cases pending with our legal unit.

REASONS PENDING

In Person Medical Exams	0
Disapproved by GERS Physicians	0
Internal Legal	4
Total Pending Disabilities	4

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 22, 2022

Compliance and Control - Contribution Processing

October 1, 2022 – November 30, 2022

Non-Disability Cases

A total of 78 letters (life certificates) were mailed. To date, 75 were returned. GERS will suspend the annuities for those not returned until a response is received.

Refunds	No. Cases <u>Completed</u>	Total <u>Amount</u>	No. Cases <u>Pending</u>
Regular	65	\$2,040,356.66	0
Erroneous	4	\$1,985.00	17
Employer Share	1	21,511.56	5
Overpayment	<u>26</u>	<u>99,244.25</u>	<u>0</u>
Total	<u>96</u>	<u>2,163,097.47</u>	<u>22</u>

Death Benefits

	No. Completed	Amount	No. of Cases
<u>Types</u>	<u>10/1/22-11/30/2022</u>	<u>10/1/22-11/30/2022</u>	<u>Pending</u>
Active	0	\$ 13,444.34	33
Retired	<u>1</u>	<u>\$251,702.76</u>	<u>5</u>
Total	<u>1</u>	<u>\$ 265,147.00</u>	<u>38</u>

Accounting Department

Annuity Payments

No. of retirees as of December 15, 2022, payroll: **8,716**

Cumulative dollar paid out from October 1, 2022 – December 15, 2022 - **\$54,805,892.81**

Number of retirees added to the payroll from October 1, 2022 – December 15, 2022. **54**

Number of retirees added to the payroll for the December 15, 2022, pay date. **11**

Number of retirees expected to be placed on payroll for the December 31, 2022, pay date: **43**

Number of retirees deleted from the payroll from October 1, 2022, through December 15, 2022: **71**

The Gross Retiree Payroll for the December 15th payroll was \$ 10,958,570.06.

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
December 22, 2022**

LOAN PORTFOLIO FOR THE MONTH ENDING NOVEMBER 2022

PERSONAL LOANS		DATE	
	11/30/2022	STT/STJ	STX
Active Personal Loans	607	339	268
Retiree Personal Loans	526	299	227
	1,133	638	495
MORTGAGES			
Construction/Home Improvement	18	10	8
Land	16	13	3
Purchase/Refinance	24	18	6
Totals	58	41	17
TOTAL LOANS & MORTGAGES	1,191	679	512
TOTAL OUTSTANDING			
<u>November 2022</u>	Total	STT/STJ	STX
Active PL -	\$ 5,143,274.57	\$ 3,146,427.50	\$ 1,996,847.07
Retiree PL -	4,374,313.48	2,471,903.43	1,902,410.05
Purchase/Refi -	1,369,808.46	1,004,526.54	365,281.92
Construction -	1,886,791.69	1,152,382.25	734,409.44
Land Loans -	329,066.77	274,041.02	55,025.75
GRAND TOTAL	\$ 13,103,254.97	\$ 8,049,280.74	\$ 5,053,974.23

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 22, 2022

Operations

St. Croix Office Complex

No major issues reported.

St. Thomas Office Complex

BUILDING

GERS Hip Roof

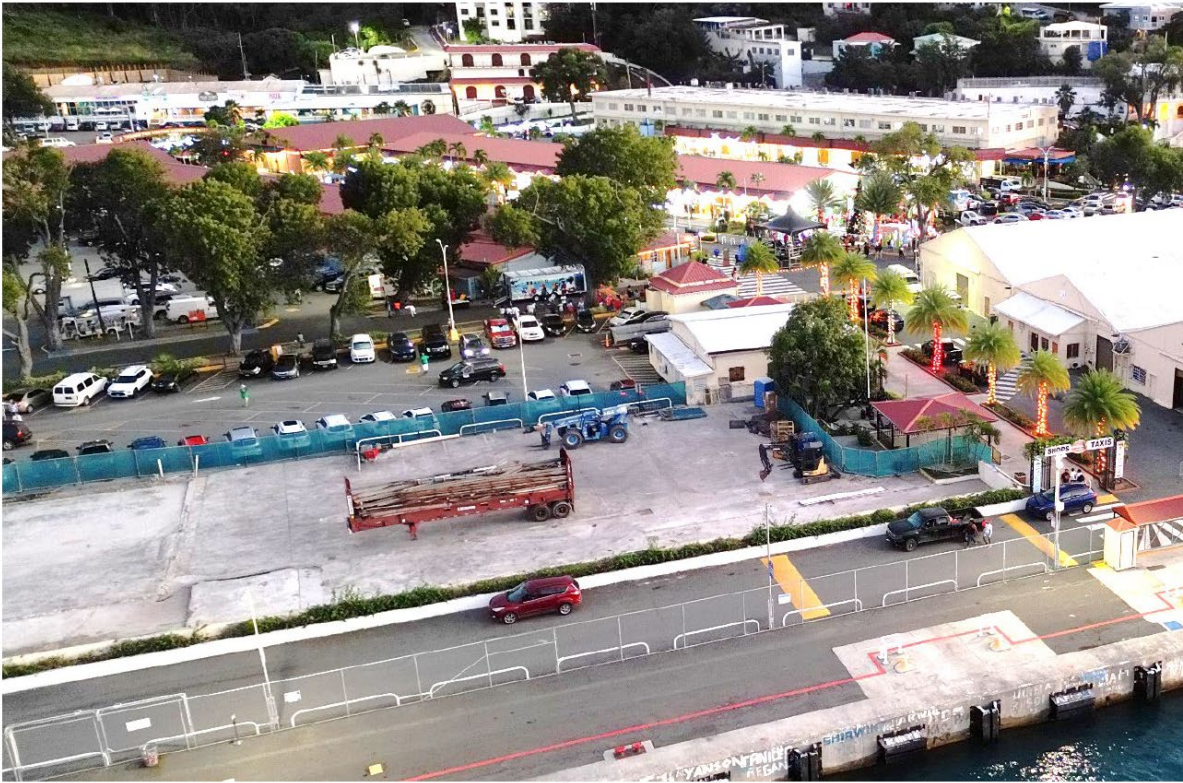
A 20-year warranty was received. The contractor is completing the finishing touches on the flat roof. Roof work completed.

Havensight Mall

Warehouse Demolition Project - Warehouses 3 and 3A Progress



**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
December 22, 2022**

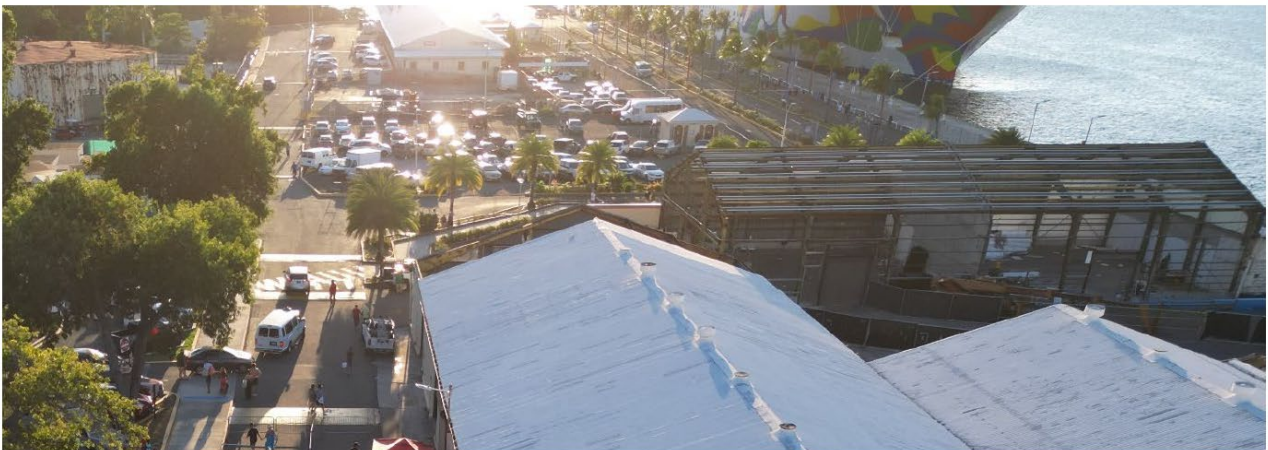


Warehouse 3 and Michael's Storeroom demolition was completed on December 9, 2022. NLT December 21st, the lead-painted metals will be removed from the site for shipment to the US mainland for disposal.

On December 21st, the contractor will begin work on the rear portion of Warehouse 4 which was damaged in the 2017 hurricanes.

Warehouse J

Reconstruction continues on Warehouse J. All debris removed without incident. Additional purlins were installed per code.



GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 22, 2022

Demolition Schedule

Demolition will take place in

Phase 1 – Warehouse 3 and 3A (*Completed*)

Phase 2, Warehouse J, and a section of 5 (*In progress*)

Phase 3 – Remainder of Warehouse 5, 4 and 4a

(*Pending*) Phase 4 – Welcome Center (*Pending*)

Scheduled 6 months for the demolition and 6 months for the repairs, additions, and replacement for Warehouse J.

Hotel Development

Haven Development has completed the pre-application meeting with DPNR and responding to further request for information pending the CZM hearing date.

Historic Preservation

Terms of the MOU were agreed to and sent to the St. Thomas Historic Trust. Awaiting the Historic Trust Board to reconvene. The Board has secured a collection and is working on funding to prepare the space.

Bronze Statues

MOU was fully executed and notarized by both parties.

	November 2022	Total FYTD	Arrearages
Rental	\$45,522.41	\$135,190.30	\$59,234.16
Electric	<u>37,128.10</u>	<u>98,146.37</u>	<u>41,732.68</u>
Total	<u>\$82,650.51</u>	<u>\$233,336.67</u>	<u>\$100,966.84</u>

LEASES

Division of Personnel

A revised lease was sent to the Division of Personnel on December 13th. The target date for completion is December 30th.

Department of Justice

A Notice to Quit was sent to DOJ on December 2nd. The lease was executed by DOJ prior to the Board meeting.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

December 22, 2022

Bonus Payments

In accordance with Act No. 8578, all additional bonuses payments to retirees for Fiscal Years 2018, 2019, 2020, and 2021 in addition to the annual bonus payment for 2022 were paid.

2018 – Gross \$139.92 / Net \$108.92

2019 – Gross \$128.20 / Net \$100.20

2020 – Gross \$200.61 / Net \$156.61

2021 – Gross \$126.30 / Net \$98.30

2022 – Gross \$299.95 / Net \$233.95 (*Count 7,554*)

The beneficiaries of the deceased retirees who received the annual V.I. Lottery Bonuses for Fiscal Years 2018, 2019, and 2020, and 2021 will receive their net payments after the due diligence protocol is completed.

Treasurer's Report

Denise Jeremiah, CFO read the Treasurer's Report for November 30, 2022, into the record.

Total Collections for November 30, 2022 is \$11.7M and FYTD is \$183.4M and Total Disbursements for November 30, 2022, \$31.1M and FYTD is \$55.1M a Net Cash Deficit of \$19.4M and FYTD is \$128.3M

Havensight Mall

Denise Jeremiah, CFO, read the Havensight Mall's Receipts and Disbursements for the month ending November 30, 2022, into the record.

Total Collections for November is \$592.8K and FYTD is \$989.3K and Total Disbursements for November \$215K and FYTD is \$378.9K and a Net Cash of \$377.8K and FYTD is \$610.3K

A motion was made by Trustee Bowry and seconded by Trustee Liger to accept the Treasurer's Report for November 30, 2022. The motion passed with 5 Yes (Bowry, Liger, Russell, Smith and Callwood) and 2 Absent (Dorsey and McDonald).

Investment Officer's Report

The investment report for November 30, 2022, reflects one month performance relating to the new Investment Policy (revised portfolio).

Targets: Total Plan return is 3.5% for the month of November 2022; Total equity return is 7.5% which outperformed its benchmark by 2.3%; Total Fixed Income return is 2.8% which underperformed its benchmark by 0.8%. Total Alternatives return is -1.7%

Notable Fund Performance: Russell 3000 index return is 5.2%; MSCI EAFE Index returned 11.3%; MSCI Emerging Market Index returned 16.1%

Cash Flow Activity: Ended month with \$514.9M; Raised \$132M for November; Liquidated Blackrock US Debt Index to reallocated to new policy targets.

**GOVERNMENT EMPLOYEES RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
December 22, 2022**

Began the month with \$512.4M; Net Cash Flow of \$-15.1M; Income -\$849.3K, Gain of \$18.3M; Ending Market Value \$514.9M.

Custodial/Consulting/Management Fees: \$58K Calendar MTD; \$431K Calendar YTD; \$108K Fiscal YTD.

Trustee Russell asked what were the investments that increased. Mr. Henderson replied that they were Russell 3000 Index, the EAFE Index and Emerging Market index and TIPS increased 3% for the month.

A motion was made by Trustee Smith and seconded by Trustee Russell to accept the Investment Officer's Report for November 30, 2022. The motion passed with 5 Yes (Bowry, Liger, Russell, Smith, and Callwood) and 2 Absent (Dorsey and McDonald).

Regular Session

A. New Business

i. 2023 Board Meeting Calendar

It was recommended to reschedule the April 27th meeting to April 20th.

The prospective dates for the Board retreat, as suggested by the Administrator, are the weeks of July 12th – 14th and a second option is July 19th – 21st. Administrator Nibbs will contact the presenters (Segal, Meketa and SB and Company) to confirm their availability. The Board agreed to the Administrator's recommendations and dates.

A motion was made by Trustee Bowry and seconded by Trustee Liger to accept the Board of Trustees 2023 Meeting Calendar as presented and revised. The motion passed with 5 Yes (Bowry, Liger, Russell, Smith, and Callwood) and 2 Absent (Dorsey and McDonald).

ii. Discussion of Bill No. 34-0370

Chairman Callwood stated that the System does not oppose reinstating the Loan program but as Trustees, the body does have a fiduciary responsibility to the System and the System is not there yet. At the 2022 Board Retreat it was recommended to reinstate the Personal Loans on October 1, 2024, and Mortgages on October 1, 2025, and the System publicly announced that the Board will revisit the reinstatement of the Loan program base on the cash flow and liquidity of the System. The Board is considering the Prudent Investor Standard of the VI Code. Section 1.7.B

A motion was made by Trustee Bowry and seconded by Trustee Smith go into 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

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

December 22, 2022

disclosure will frustrate the implementation of the proposed agency action. The motion passed with 4 Yes (Bowry, Liger, Smith, Callwood), and 3 Absent (Dorsey, McDonald, Russell).

Executive Session

A motion was made by Trustee Smith and seconded by Trustee Liger to come out of Executive Session. The motion passed with 4 Yes (Bowry, Liger, Smith, Callwood), and 3 Absent (Dorsey, McDonald, Russell).

Chairman Callwood reported that the Board heard all arguments and came to a proposed settlement between L. Sarauw and GERS and also accepted the Retainer Agreement for the Office of Pedro K. Williams as Counsel to the GERS Board of Trustees.

Privileges of the Floor

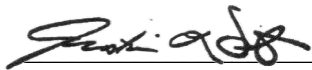
Chairman Callwood extended best wishes for the new year.

Adjournment

A motion was made by Trustee Bowry and seconded by Trustee Liger to adjourn the December 22, 2022 Board meeting. The motion passed with 4 Yes (Bowry, Liger, Smith, Callwood), and 3 Absent (Dorsey, McDonald, Russell).

The meeting adjourned at 11:24am.

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 22, 2022

Rental Collection

EXHIBIT A

	November 2022 Collection							
	Rental Collection	Electrical Collection	Rental Year-To- Date Collection for FY 2023	Electrical Year-To- Date Collection for FY 2023	Total Year-To-Date Revenue Collection	Rental Arrearage	Electrical Arrearage	Notes
Department of Justice	\$ 37,063.00	\$ 30,693.48	\$ 74,126.00	\$ 61,879.83	\$ 136,005.83	\$ 37,063.00	\$ 27,668.58	Nov. arrearage
Division of Personnel	-	-	26,378.88	29,717.84	56,096.72	13,189.44	13,287.86	Nov. arrearage
FirstBank	290.20	-	580.40		580.40	-	107.57	Nov. arrearage
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	-	Nov. arrearage
Plessen Eye, LLC_ADMIN STORAGE	-	-	580.00	-	580.00	580.00	-	Nov. arrearage
Plessen Eye, LLC_ASC	-	-	13,177.32	-	13,177.32	4,392.44	-	Nov. arrearage
ResCare (JobCorps)	1,803.81	741.78	3,607.62	855.86	4,463.48	-	668.67	Nov. arrearage
VI Housing Finance Authority	-	5,692.84		5,692.84	5,692.84	-	-	
VI Casino	-			-	-	-	-	
Total income Received	\$ 45,522.41	37,128.10	135,190.30	98,146.37	233,336.67			

\$59,234.16 \$41,732.68