

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

**St. Thomas/St. Croix via Zoom
Thursday, February 23, 2023
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: 1/26/23)
- 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). Approval of Petty Cash Fund for Havensight Mall
 - B. Unfinished Business
 - (i). Administrator Search

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). Legal Matters
- XIV. Privileges of the Floor
- XV. Adjournment

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

February 23, 2023

The Regular Meeting of the Board of Trustees for February 23, 2023 was called to order at 9:30am. The meeting was held via Zoom. At roll call, Trustees present were Bowry, Dorsey, Russell, and Callwood. Trustees not present were Trustee Liger as excused, Trustees McDonald, and Smith were absent. A quorum was established with 4 voting Trustees present. Ex-Officio member Cindy Richardson arrived after the roll call.

Staff in attendance: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Ishmael Meyers, Deputy General Counsel, Denise Jeremiah, Chief Financial Officer, Asiah Clendinen Gumbs, COO, Glenville Henderson, Investment Analyst, Sakeeda Figueroa, Communication and Member Education Specialist, LeSean Moses, IT, Zaida Castro, Executive Assistant to the Administrator, Nikia Coley, Administrative Assistant to the Board of Trustees, and Roy Moorehead, Chief Security Officer-Havensight Mall.

Also, present in the meeting were Kelsha Williams, Williams and Williams Law Firm and Pedro K. Williams, Board Counsel.

Comments and Suggestions from Retirees

No Comments from Retirees

Comments and Suggestions from Active Members

No Comments from Active Members

Secretary's Minutes

A motion was made by Trustee Smith and seconded by Trustee Bowry to approve the January 26, 2023, Regular Board meeting minutes.

Trustee Russell objected to adopting the Board of Trustees Regular Board minutes for January 26th minutes due to the letter read by Mary Moorehead, member of St. Croix Government Retirees Inc, and believed it should be stricken from the minutes because board members were not notified timely about the correspondence. Trustee Russell confirmed that he did not receive the letter ahead of the Board meeting to respond to it properly.

Administrator Nibbs reminded the board that the official minutes for the GERS Board of Trustees are the transcripts by the stenographer and asked if the subject matter should be stricken also be stricken from the transcripts. Trustee Russell responded yes.

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Chairman Callwood recommended to Trustee Russell to have the Board make a motion about whether the topic should be stricken or not to consider each Trustees' perspective about the matter. Chairman Callwood recapped that part of the order of business for the Board of Trustee Regular meeting agenda includes comments from Retirees and Active members, and a point of personal privilege was granted to Trustee Russell, as requested, after the Administrator's Report was read into the record.

Trustee Dorsey requested to know from Board Counsel if the letter should have gone under another order of business, such as Executive Session/Personnel Matters, first before reading the letter in public. Trustee Dorsey also confirmed not to have received a copy of the letter. According to Trustee Dorsey, a letter intended to attack a Trustee should have been kept private, discussed in Executive Session first, and a meeting of the minds between the Chairman and the Administrator should have happened. Kelsha Williams, Esq. representing the Board Counsel (Pedro K. Williams), will look into the matter to determine best practices by looking into the statutes to determine whether or not comments made in executive sessions and transcripts can be stricken from the record as well as comments made public in the regular session.

Administrator Nibbs clarified that the letter was received by him to be read into the record and it was sent to all Trustees.

Trustee Russell concluded by withdrawing his motion and Chairman Callwood requested again for a motion to approve the January 26, 2023 meeting minutes.

A motion was made by Trustee Bowry and seconded by Trustee Smith to approve the January 26, 2023, Regular Board meeting minutes. The motion passed with Yes 3 (Bowry, Smith, Callwood), 1 No (Russell) 1 Not Voting (Dorsey) and 2 Absent (McDonald and Liger).

Communications and Correspondences

None

Chairman's Report

Chairman Callwood appeared before St. Croix Government Retirees Inc. on February 7th and also participated in the NCPERS 2023 Public Retirement Study Trends on Fiscal and Operational and Business Practices Webinar and attended the IFEBP Advance Trustee Institute from February 11th – February 15th.

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

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Administrator's Report

Meetings, Presentations, and Appearances

February 2	Site Visit with Board at Havensight Mall.
9	Meeting with E-Finity re: Microturbine grid at Havensight Mall.
10	Meeting with attorneys re: Outstanding WICO issues.
15	Havensight Mall Oversight Committee meeting.
16	Meeting with RLSH CEO Re: Outstanding deductions/contributions.
17	Attended 35 th Legislature Orientation.
21	Attended Investment Committee Meeting.
23	To attend the CZM Hearing Re: Haven Development LLC

Member Services

Retirement Applications - as of February 15, 2023

	<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	142	19	
STT	<u>147</u>	<u>164</u>	<u>127</u>	<u>224</u>	<u>172</u>	<u>126</u>	<u>179</u>	<u>178</u>	<u>9</u>	
Total	294	275	245	401	315	240	343	320	28	
Processed	<u>293</u>	<u>275</u>	<u>245</u>	<u>401</u>	<u>315</u>	<u>238</u>	<u>339</u>	<u>192</u>	<u>0</u>	
Remaining	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>4</u>	<u>128</u>	<u>28</u>	<u>163*</u>
	99%	100%	100%	100%	100%	99%	99%	60%	0%	

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Life Certificates

Disability Cases – As of February 7, 2023

A total of 263 letters were mailed.

86	Disability Annuitants living in the US
<u>177</u>	Disability Annuitants residing in the Virgin Islands
<u>263</u>	

To date, a total of 259 have been returned to the office. Four (4) members were suspended from the Retirees' Payroll due to non-compliance with the completed Life Certificates.

There are six (6) disability cases pending.

REASONS PENDING

In Person Medical Exams	2
Disapproved by GERS	
Physicians	0
<u>Internal Legal</u>	<u>4</u>
<u>Total Pending Disabilities</u>	<u>6</u>

Non-Disability Cases

Life certificates were mailed out in December 2022. None were returned as yet.

However, in the previous batch of life certificates, a total of 78 were mailed. 75 were returned and we *suspended 3 annuities* for retirees that did not respond and who were not known to be deceased.

We are revisiting the suspension of annuities because the suspension affects the retiree health insurance. So as not to hurt the retiree health insurance status, the recommendation of the Chief, Compliance and Control is to have Payroll hold the checks, until we can communicate further with the retiree or determine the status of the retiree.

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Compliance and Control – Contribution Processing

October 1, 2022 – January 31, 2023

Refunds

	No. Cases <u>Completed</u>	Total <u>Amount</u>	No. of Cases <u>Pending</u>
Regular	47	\$3,492,031.76	0
Erroneous	2	5,764.56	15
Employer Share	0	21,693.66	5
Overpayment	<u>23</u>	<u>348,380.50</u>	<u>0</u>
Total	<u>72</u>	<u>\$ 3,867,870.48</u>	<u>20</u>

Death Benefits

<u>Types</u>	No. Completed <u>10/1/22-01/31/2023</u>	Amount <u>10/1/22-01/31/2023</u>	No. of Cases <u>Pending</u>
Active	5	\$ 489,071.39	25
Retired	<u>1</u>	<u>300,879.52</u>	<u>4</u>
Total	<u>6</u>	<u>\$ 789,950.91</u>	<u>29</u>

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Accounting Department

Annuity Payments

No. of retirees as of February 15, 2023, payroll: **8,737**

Cumulative dollar paid out from October 1, 2022 – February 15, 2023 - \$98,841,196.60.

Number of retirees *added to the payroll* from October 1, 2022 – February 15, 2023. **135**

Number of retirees added to the payroll for the February 15, 2023, pay date. **14**

Number of retirees expected to be placed on payroll for February 28, 2023 pay date: **19**

Number of retirees *deleted from the payroll* from October 1, 2022, through February 15, 2023:
131

Note: The Gross Retiree Payroll for 2/15/23 was **\$ 11,015,512.83.**

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LOANS PORTFOLIO FOR THE MONTH ENDING JANUARY 2023

	Total 1/31/2022	STT/STJ	STX
Active Personal Loans	513	295	218
Retiree Personal Loans	492	276	216
	1,005	571	434
MORTGAGES			
Construction/Home Improvement	18	10	8
Land	16	14	2
Purchase/Refinance	22	17	5
Totals	56	41	15
TOTAL LOANS & MORTGAGES	1,061	612	449
TOTAL OUTSTANDING January 2023			
	Total	STT/STJ	STX
Active PL -	\$ 4,261,521.65	\$ 2,667,806.51	\$ 1,593,715.14
Retiree PL -	3,971,126.80	2,204,333.58	1,766,793.22
Purchase/Refi -	1,353,943.53	992,259.93	361,683.60
Construction -	1,859,652.99	1,135,215.04	724,437.95
Land Loans -	319,232.63	284,355.39	34,877.24
GRAND TOTAL	\$ 11,765,477.60	\$ 7,283,970.45	\$ 4,481,507.15

Refund for Overpayments January 31, 2023

<u>No. of Units</u>	<u>Total</u>
11	\$7,779.77

The chart below shows total loans projected to mature in calendar years 2023 and 2024. All personal loans are expected to mature by December 31, 2025, except one loan because of the date of issuance.

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**Projected Loan Maturity
by Calendar Year By Loan Type**

<u>Loan Type</u>	<u>Total Loans Projected to Mature as of December 2023</u>	<u>Total Loans Projected to Mature as of December 2024</u>
Active Personal Loan	129	155
Retiree Personal Loan	147	188
Mortgage Construction	0	0
Purchase Refinance	2	2
Land	2	0
Total Loans Maturing	280	345

Operations

St. Croix Office Complex

PROJECTS PENDING:

Repaving of the rear parking lot at the Casino Control Commission was completed. Installation of a roof with guttering over the maintenance shed is in progress.

St. Thomas Office Complex

No major issues to report.

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Havensight Mall

Warehouse Demolition

Work continues Warehouse 4.

Work resumed on Warehouse J with the arrival of the exterior and roof panels. Completion date expected in June 2023.

Once construction is completed on Warehouse J. Warehouses 4a, 5 and the Welcome Center will be demolished.

Hotel Development

Haven Development received notification from DPNR that their CZM permit was complete, and a Public Hearing was scheduled for Thursday February 23, 2023.

Generator

The GERS through their contractor, Import Supply, was able to source a brand new 2022/2023 CAT 2- megawatt generator from RIMCO (official CAT dealer/rep) through Islands Generators in PR. Unit is scheduled to be on island in approximately 80-90 days. Awaiting one additional quote for the removal and cleaning of the generator yard. Items needed for arrival: Concrete pad, generator housing, switch gears/transfer switch. Electrical engineers that installed the current generators will be called in to consult. CAT officials will be onsite at start up to ensure operations, commission, and warranty. Project anticipated to be completed by August of 2023 (barring any unforeseen obstacles).

Parking Lot

Department of Public Works (DPW) has agreed to patch the potholes around the property with asphalt purchased by GERS. Work to begin based on non-ship days and availability of DPW.

Office Buildings Rental and Electricity Collections – Exhibit A

	Jan 2023	Total FYTD	Arrearages
Rental	\$78,010.95	\$279,725.16	\$92,089.43
Electric	<u>31,259.25</u>	<u>157,074.20</u>	<u>71,597.45</u>
Total	<u>\$109,270.20</u>	<u>\$436,799.36</u>	<u>\$163,686.88</u>

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LEASES

ResCare (Job Corps)

New Entity took over Job Corps which is now call Equus Workforce Solutions. Paperwork was forwarded to legal to draft a new 5-year lease agreement.

Division of Personnel (DOP)

DOP responded on January 14, 2023, with a minor revision to which GERS agreed with. GERS sent final lease for signatures on February 1, 2023. GERS is awaiting Attorney Baker – Office of the Governor Acting Chief Legal Counsel, suggested language.

Department of Justice (DOJ)

Lease was resigned by Attorney Jacobs and Mr. Nibbs. DOJ will forward to Property and Procurement for additional review and signatures.

FEMA/INSURANCE:

Extension letter (Until March 2024) to VITEMA and Director Williams Octalien at the Office of Disaster Recovery will be sent by February 15, 2023. Project at Havensight Mall Demolition, Warehouse J, Parking lot and green space slated, as per the FEMA award, to be completed by March 2023.

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RENTAL – EXHIBIT A

	January 2023 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	\$ -	\$ -	\$ 111,189.00	\$ 89,548.41	\$ 200,737.41	\$ 74,126.00	\$ 60,053.66	Dec. & Jan Rent/Electri cal
Division of Personnel	39,568.32	30,584.89	65,947.20	60,302.73	126,249.93	-	11,543.79	Jan. Electrical
FirstBank	290.20	93.45	1,160.80	93.45	1,254.25	-	-	
Ophthalmology Consultants, LLC	6,365.40	-	25,461.60	-	25,461.60	-	-	
Plessen Eye, LLC_ADMIN	4,009.28	-	8,018.56	-	8,018.56	8,018.55	-	Dec., Jan. Rent
Plessen Eye, LLC_ADMIN STORAGE	580.00	-	1,160.00	-	1,160.00	1,160.00	-	Dec., Jan. Rent
Plessen Eye, LLC_ASC	4,392.44	-	17,569.76	-	17,569.76	8,784.88	-	Dec., Jan. Rent
ResCare (JobCorps)	1,803.81	580.91	7,215.24	1,436.77	8,652.01	-	-	
VI Housing Finance Authority	-	-	-	5,692.84	5,692.84	-	-	
VI Casino	21,001.50	-	42,003.00	-	42,003.00	-	-	
Total income Received	\$ 78,010.95	31,259.25	279,725.16	157,074.20	436,799.36	92,089.43	71,597.45	

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Questions and Comments from Board of Trustees to Administrator Nibbs

Trustee Dorsey inquired about challenges for GERS receiving the \$60K in electrical arrearages from the Department of Justice. Administrator Nibbs requested Chief Operating Officer, Clendinen Gumbs to answer. Ms. Clendinen Gumbs responded that DOJ sent a report confirming the balance is being processed.

Trustee Russell asked Administrator Nibbs to summarize the intent for meeting with WICO. In summary, a letter was sent to Chairman Joseph Boschulte on February 2nd for both Boards to meet to discuss outstanding issues such as the easement agreement, a central topic of concern, and other issues. GERS has yet received a response from Chairman Boschulte. Trustee Russell recommended that the GERS Board have a preliminary meeting to discuss consensus expectations before meeting with the WICO Board members. Trustee Callwood responded that this intent was established at a prior Executive Session and the Board is awaiting WICO's Chairman's response.

Committee Reports.

- (a) Investment Committee – Chairman Callwood reported that the Investment Committee met on Tuesday, February 21st to discuss the GERS portfolio and held preliminary discussions about a plan of action concerning the agency's non-performing real estate assets and the Loan Program.

Trustee Russell commented that since the Board Committee's assignments have changed the impact creates an overlap between the Investment and Development Committees and can be merged in certain areas. Therefore, Trustee Russell requested clarity on the role of each committee. Trustee Bowry reiterated that the Investment Committee comprises of all members of the Board while incorporating all members of the Development Committee.

- (b) Development Committee – Trustee Russell – No Report.
- (c) Budget/Audit Committee Report – Chairman Callwood - No Report.
- (d) Policy Committee Report – Trustee Bowry. No Report.

Treasurer's Report

Denise Jeremiah, CFO, read the Treasurer's Report for the System and Havensight Mall for the month ending January 31, 2023, into the record.

Total Collections for January 31, 2023, is \$13.6M and FYTD is \$210.5M. Total Disbursements for January 31, 2023 is \$24.6M and FYTD is \$105.8M; Net Cash Deficit for January 31, 2023 is \$11.1M and a Net Cash Surplus of \$104.7M FYTD.

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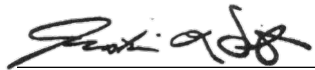
Havensight Mall

Total Collections for January 2023 was \$455.5K and FYTD \$1.9M; Total Disbursements for January 2023 was \$236.4K and FYTD is \$1.2K and a Net Cash Surplus of \$219.2K and Net Cash Surplus of \$759.2K FYTD.

A motion was made by Trustee Smith and seconded by Trustee Bowry to accept the Treasurer's for January 31, 2023. The motion failed due to lack of a quorum with 3 Yes (Bowry, Smith, and Callwood), and 4 Absent (Dorsey, Liger, McDonald, and Russell).

Attempts were made to reach Trustee Russell and Trustee Dorsey to re-establish a quorum but efforts were unsuccessful. Therefore, Chairman Callwood ended the Board of Trustees Regular Board meeting of February 23, 2023 at 10:43am.

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