

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

**St. Thomas/St. Croix via Zoom
Thursday, February 24, 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: 1/27/22; Special: 1/28/22; Special: 2/8/22; Special: 2/11/22)
- 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. **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). Legal Matters – Update from JLL
 - (ii). EFL Associates Presentation
- XIII. Privileges of the Floor
- XIV. Adjournment

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

February 24, 2022

The Regular Meeting of the Board of Trustees for February 24, 2022 was called to order at 9:32 am. The meeting was held via Zoom. At roll call, Trustees present were Trustee Dorsey, Liger, Russell, and Bowry. Trustees not present during the roll call were Callwood, McDonald, and Smith. A quorum was established with 4 voting trustees present and 3 absent (Callwood, McDonald, and Smith.). Trustee Callwood joined the meeting after the roll call. Ex-officio member Cindy Richardson submitted a letter to be excused.

Staff in attendance: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Ishmael Meyers, Deputy General Counsel, Asiah Clendinen Gumbs, COO, Glenville Henderson, Investment Analyst, Sakeeda Figueroa, Communication Specialist, LeSean Moses, IT, and Nikia Coley, Administrative Assistant to the Board of Trustees.

Also, present in the meeting were Pedro K. Williams, Board Counsel and Kelsha Williams (Associate Pedro Williams Law Offices).

Comments and Suggestions from Retirees and Active Members

There were no comments or suggestions from retirees or active members.

Before the Secretary's minutes Trustee Russell stated that he has to leave the meeting before noon and would like to make a motion to reorder the agenda to go into executive session to address the lease and unfinished business. Trustee Dorsey seconded the motion and also stated that he had to leave the meeting about the same time. No vote on the motion was taken.

The Administrator asked Attorney Smith to contact JLL to see if they are available because they were not scheduled to be available until 11:30am (AST). Also, EFL Associates was scheduled to present at a later time. The Chairman recommended that we proceed with the agenda until we can confirm available times for JLL and EFL Associates. Attorney Smith reported that she had contacted JLL, and they would be available to join us at 10:00am (AST).

Secretary's Minutes

A motion was made by Trustee Callwood and seconded by Trustee Dorsey to approve the Board meeting minutes for January 27, 2022 Regular Board meeting. The motion passed with 5 yes (Callwood, Dorsey, Liger, Russell, and Bowry); and 2 absent (Mc Donald and Smith).

A motion was made by Trustee Callwood and seconded by Trustee Dorsey to approve the meeting minutes for January 28, 2022 Special Board meeting. The motion passed with 5 yes (Callwood, Dorsey, Liger, Russell, and Bowry); and 2 absent (Mc Donald and Smith).

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

February 24, 2022

A motion was made by Trustee Callwood and seconded by Trustee Dorsey to approve the meeting minutes for February 8, 2022 Special Board meeting. The motion passed with 5 yes (Callwood, Dorsey, Liger, Russell, and Bowry); and 2 absent (Mc Donald and Smith).

A motion was made by Trustee Callwood and seconded by Trustee Russell to approve the meeting minutes for February 11, 2022 Special Board meeting. The motion passed with 4 yes (Callwood, Liger, Russell, and Bowry); 1 not voting (Dorsey), and 2 absent (Mc Donald and Smith).

Communications and Correspondences

- 1). Letter to Andrew L. Smith, WAPA CEO dated January 28, 2022 from the Administrator summarizing the obligations owed to the GERS and requesting a date to meet to discuss the outstanding obligations.
- 2). Report from Keith Richards, Assistant Commissioner, DPNR dated February 11, 2022 recommending the request from GERS to amend the official zoning map No. STZ-7 to rezone Parcels 2 and 4 Estate Thomas, Nos. 6B and 6F New Quarter from W-2 (Waterfront-Industrial) to R-3 (Residential Density).
- 3). Letter to the Administrator from ex-officio member Cindy Richardson requesting to be excused because of her swearing in ceremony.
- 4). Letter to Andrew L. Smith, WAPA CEO dated February 16, 2022 from the Administrator thanking him for meeting on February 15th and setting forth the terms of repayment of the outstanding obligations discussed in the meeting. As follows:

The total amount that must be remitted immediately and highlighted in yellow on Exhibit A is \$1,949,703.60 (employee deductions - \$232,449.21 and employee contributions - \$1,717,254.39).

We did agree to enter into an installment payment plan for the employer contributions and all the accumulated interest and late fees.

Please provide us with a realistic and durable monthly installment payment plan as follows:

- 1). To remit to the GERS 10 days after the pay period the current deductions and employee and employer contributions.
- 2). Payment to the GERS on the outstanding employer contributions over a 12-month period beginning March 1, 2022.

Board Counsel asked what the deadline was to respond to the letter. The Administrator responded 10 days from February 16th.

Trustee Dorsey raised a point of information and asked the Administrator what would happen if WAPA did not respond after the 10 days. The Administrator responded that management would make a decision at that time.

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

February 24, 2022

A motion was made by Trustee Dorsey and seconded by Trustee Callwood to amend the previous resolution and grant the Administrator an additional 30 days to effectuate a settlement agreement with WAPA or initiate legal action. The motion passed 5 yes (Callwood, Dorsey, Liger, Russell, and Bowry) and 2 absent (McDonald and Smith).

Trustee Russell asked the Administrator what type of document would be needed to reduce the decision made between WAPA and the GERS and if an MOU would be appropriate. The Administrator responded that he did not think an MOU would be necessary. The installment plan agreement between WAPA and GERS would be sufficient. The Chairman asked the General Counsel her thoughts. The General Counsel responded that GERS would enter into a payment plan that will be signed off by both parties.

Chairman's Report

The Chairman mentioned that he was pleased and excited with the passage of Act No. 8540 – Matching Fund Special Purpose Securitization Act of 2022, also if becomes a reality will be known as the GERS Rescue Act. The Act provides for significant infusion of contributions in the amount of \$4 billion over 30 years, which would be enough to fund the benefits for the foreseeable future. The GVI and GERS negotiated and signed a Settlement Agreement which was required by the Act. Pursuant to that agreement, GERS agreed to drop all money claims and dismiss all pending litigation against the government upon the issuance of the GERS Funding Note. That is the instrument that guarantees the annual contributions to the GERS. The ball is now with the Governor and his financial team to execute. On behalf of the members of the GERS, special thanks to the Plan Sponsor, the GVI for stepping up to the plate, and to the 34th Legislature for unanimously passing Bill No-34-0188, which was a result of the amount of work done by the GERS Subcommittee of the Committee on Finance. Also, thanks to the members of the staff and the GERS Board in acting expeditiously in providing technical support and the required approvals. An excellent demonstration of collaboration between all stakeholders and looking forward to it fruition.

Trustee Russell asked to comment and wanted to give GRUFF (Government Retirees United for Fairness) credit regarding the passage of the Bill No. 34-0188. GRUFF started the proposal to have the rum cover overs dedicated to the GERS. Also, he would like to acknowledge the GERS legal staff for their contributions. Hopefully, the administration would live up to the dictates of the law. Trustee Russell commended the Chairman for his support of the legislation.

The Chairman congratulated GRUFF for its activism not just for this issue but for all other issues affecting the GERS.

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

February 24, 2022

Trustee Dorey asked if this processed has gone out to market as of today? The Chairman responded that he did not know as of today. But will contact David Paul the consultant to the GVI. However, he does know that Mr. Paul had stated that he wanted to go to market like yesterday. What is driving the timeframe is the expected increase in the interest rates. The deal would want to get done before the interest rates go up. If the interest rate goes up, debt service goes up, and if debt service goes up, the amount of contribution to the GERS goes down.

Trustee Dorsey asked if at any time would the trustees get a chance to review the entire package? What going on with the Special Purpose Vehicle and the bonding portion? The issuance of the bonds as well as the agreements with the two rum companies and what they are giving up because GERS has given up the litigations. The Chairman responded that there will be an opportunity to see the entire package upon implementation. The GERS safeguard is the legislation.

A motion was made by Trustee Russell and seconded by Trustee Dorsey to go into Executive Session to discuss the ground lease and obtain recommendations from JLL. The motion passed 5 yes (Callwood, Dorsey, Liger, Russell, and Bowry) and 2 absent (McDonald and Smith).

Executive Session.

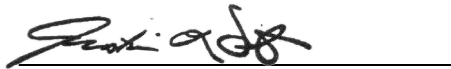
A motion was made by Trustee Russell and seconded by Trustee Dorsey to come out of Executive Session. The motion passed 4 yes (Dorsey, Liger, Russell, and Bowry) and 3 absent (Callwood, McDonald, and Smith).

Regular Session.

Because Trustees Russell and Dorsey had to leave, the Chairman asked the Administrator how much time will be needed to complete the agenda? The Administrator responded that it would take about 25 more minutes because we have the Administrator's Report, Committee Reports, and the Treasurer's Report, and the Investment Report to be approved. It was agreed that these reports will be approved in the next regular board meeting.

A motion was made by Trustee Russell and seconded by Trustee Dorsey to adjourn the meeting. The motion passed 4 yes (Dorsey, Liger, Russell, and Bowry) and 3 absent (Callwood, McDonald, and Smith).

The meeting adjourned at approximately 12:19pm.



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