

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

**St. Thomas/St. Croix via Zoom
Thursday, March 2, 2023
9:30 am
** AGENDA ****

- I. Call to Order
- II. Roll Call
- III. Treasurer's Report
- IV. Investment Officer's Report
- V. REGULAR SESSION
 - A. New Business
 - (i). Approval of Petty Cash Fund for Havensight Mall
 - B. Unfinished Business
 - (i). Administrator Search

VI. 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
 - (ii). WICO Discussion
- VII. Privileges of the Floor
- VIII. Adjournment

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES SPECIAL MEETING

March 2, 2023

A Special Meeting of the Board of Trustees was held on March 2, 2023, and was called to order at 9:33am. The meeting was held via Zoom. At roll call, Trustees present were Bowry, Liger, Russell, and Callwood. Trustees not present during the roll call were Dorsey, McDonald, and Smith. A quorum was established with 4 voting Trustees present. Ex-Officio Cindy Richardson was present. Trustee Smith arrived after the roll call.

The staff in attendance was Austin Nibbs, Administrator, Cathy Smith, General Counsel, Ishmael Meyers, Deputy General Counsel, Denise Jeremiah, Chief Financial Officer, Asiah Clendinen Gumbs, Chief Operating Officer, Glenville Henderson, Investment Analyst, Sakeeda Freeman, Communication and Member Education Specialist, Nikia Coley, Administrative Assistant to the Board, Zaida Castro, Executive Assistant to the Administrator, LeSean Moses, IT, Roy Moorehead, Chief Security Officer-Havensight Mall, Otis Smith, Operations Manager, Havensight Mall, Abena McClean Smith, Benefit Analyst, and Je'Nelle Forbes, Records Management.

Also, present in the meeting were Pedro K. Williams, Board Counsel.

Trustee Russell announced that he will be unavailable after 10:30am due to a prior scheduled meeting and also recommended to Chairman Callwood to extend an apology to Trustee Dorsey for comments made in the last regular board meeting.

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 \$24.7M and FYTD is \$105.8M; Net Cash Deficit for January 31, 2023 is \$11.1M and a Net Cash Surplus of \$104.7M FYTD.

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.

Trustee Russell asked why the contributions for 2023 are lower than 2022. CFO Jeremiah responded that employees may have left the system and some government agencies have outstanding contribution payments owed to the System.

Trustee Russell asked why the annuity payments are high in 2023. CFO Jeremiah responded that most people that are retiring are making more money than before and the System's annuity payout is increasing.

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Trustee Russell compared the Administrative Cost amounts between Fiscal Year 2023 and 2022 and asked the Administrator if it is recommended to request from the Legislature a lower amount to cover what was initially asked for (\$15.6M). Administrator Nibbs does not recommend asking for less because the administrative costs involve funding for capital projects and upgrading the Pension System Software. Administrator Nibbs reminded the Board that the System had to limit its operating expenses. However, although manpower is steady, personnel costs and fringe benefits have increased because the System has obligations with the unions.

A motion was made by Trustee Smith and seconded by Trustee Russell to accept the Treasurer's for January 31, 2023. The motion passed with Yes 5 (Bowry, Liger, Russell, Smith, and Callwood), 2 Absent (Dorsey, McDonald).

Investment Officer's Report

Mr. Glenville Henderson, Investment Analysts, read the investment report for the month ending January 31, 2023, into the record.

The Total Plan returned 4.9 % for the month of January 2023;
Total Domestic Equity returned 6.9% and was in lined with its benchmark.
Total International Equity returned 8.3% and outperformed its benchmark by 0.2%.
Total Fixed Income returned 2.9% and underperformed its benchmark by -0.2%.

Notable Fund Performance: Russell 3000 index returned 6.9%
MSCI Emerging MKTS Index returned 8.4%
US AGG Bond Index returned 3.3%.
US High YLD Bond Index Return 4.0%.

Cash Flow Activity: Month ended with \$492.7M; Raised \$14M in the month of January; Liquidated Pugh Capital Management to reallocate to new policy targets.

Began the month with \$489.5M; Net Cash Flow of \$-20.1M; Income \$477K, Gain of \$22.8M; Ending Market Value \$492.7M.

Custodial/Consulting/Management Fees: \$97K Calendar MTD; \$97K Calendar YTD; \$205K Fiscal YTD.

Trustee Smith asked Mr. Henderson when the System can return to stocks and bonds status. According to Mr. Henderson, the system is currently back to the stocks and bonds status due to the reallocation of investment policy.

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A motion was made by Trustee Smith and seconded by Trustee Bowry to accept the Investment Officer's Report for January 31, 2023. The motion passed with 4 Yes (Bowry, Liger, Smith, and Callwood) and 3 Absent (Dorsey, McDonald, and Russell).

Regular Session

A. New Business

(i) Approval of Petty Cash Fund for Havensight Mall

Havensight Mall is experiencing a significant amount of small emergencies purchases. Therefore, for efficiency and timely operations of the Havensight Mall office, Administrator Nibbs requested the Board's approval to assign a Petty Cash fund of \$1,500.00 to the Havensight Mall. Adequate control will require two signatories on all checks and all requests will be initialed by the requested manager and approved by Administrator Nibbs or a designated Senior Manager before issuing a petty cash check. Monthly reconciliations of the account will be submitted to the Office of the Administrator and or designated Senior Management. The bank requires a Resolution from the Board in order to set up the account.

A motion was made by Trustee Smith and seconded by Trustee Bowry to approve establishing a petty cash fund for Havensight Mall in the amount of \$1,500.00. The motion passed with 4Yes (Bowry, Liger, Smith, and Callwood) and 3 Absent (Dorsey, McDonald, and Russell).

B. Unfinished Business

(i) Administrator Search

The Chairman stated that the Board reposted the position on March 1st for a period of three weeks (3/21) based on local interest that was expressed in the position. Therefore, the Board will not be searching for qualified candidates outside of the territory.

Executive Session

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), and 3 Absent, (Dorsey, McDonald, and Russell).

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

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

March 2, 2023

Regular Session

Trustee Callwood reported that the Board discussed legal matters regarding Havensight Mall property and West Indian Company Inc.

Privileges of the Floor

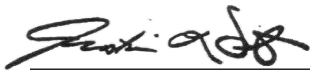
None

Adjournment

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

The meeting adjourned at approximately 10:55am.

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