

**Government Employees Retirement System**  
**Minutes of Board of Trustees Regular Meeting**  
**Thursday, January 22, 2015**

The Regular meeting of the Board of Trustees was held in the St. Croix Boardroom. The meeting was called to order at 9:44am. At roll call, all Trustees were present.

Staff in attendance were: Austin Nibbs, Administrator, Nikia Coley, Administrative Assistant to the Board, Cathy Smith, General Counsel, Grasilda H. Dobbins, Chief Financial Officer, Bruce Thomas, Investment Officer, and Lorraine Gumbs-Morton, Public Information Officer.

Also present were: Pedro K. Williams, Board Counsel and Desiree Hill, Stenographer.

**Comments and Suggestions from Retirees.**

There were five retirees present. Ms. Moorehead, Ms. Nelson, Urman "Coach" Fahie, Attorney Atwar, and Louise Harmes (sic) . Ms. Moorehead inquired about the status of the Tier I implementation. Coach Fahie inquired about the health risk assessment penalty of \$20.83 that is being deducted from the retirees' annuity payment.

Others in attendance were Anise Hodge- Office of the Governor, Senator Gittens, and staff from Senators Violet and Gittens offices.

**Secretary's Minutes.**

The Administrator stated that the minutes needed to be amended to reflect that Bruce Thomas was not present at the December 4, 2014 meeting.

Motion made by Trustee Smith and seconded by Trustee Callwood to approve the secretary's minutes as amended for Regular Session December 4, 2014. Motion passed 6 yes 1 abstain (McDonald).

**Communications and Correspondences.**

The Administrator read into the record: 1). A letter from the Administrator to Joseph Boschulte, President/CEO of the West Indian Company (WICO) dated December 23, 2014 requesting the FY 2014 year end Havensight Mall Reports. 2). A letter from the Administrator to Joseph Boschulte, President/CEO of WICO dated December 30, 2014 referencing his letter of October 1, 2014, regarding FY 2011 dividends and denying WICO claim for a rent abatement amount of \$385,571.12. 3). A letter from the Administrator to Joseph Boschulte, President/CEO of WICO dated December 30, 2014 requesting answers to questions on the FY 2015 Havensight Mall Budget. 4). A letter from Joseph Boschulte, President/CEO of WICO dated January 21, 2015 requesting the 2<sup>nd</sup> quarter allotment. 5). Email from Senator Rivera-O'Reilly dated January 18, 2015 requesting a meeting to discuss retirees' complaints and software issues. 6). Email from Administrator to Senator Rivera-O'Reilly dated January 20, 2015 stating availability to meet on Friday, January 23<sup>rd</sup> or Tuesday, January 27<sup>th</sup>.

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**Chairperson's Report.** None.

**Administrator's Report.**

The Administrator mentioned a few significant events: 1). Would like the Policy Committee to review the proposed Scholarship Policy because the application process is about to begin. 2). The Administrator and a few Trustees and staff met with the transition team on December 24, 2014. 3). The Administrator and staff met with Juel Molloy, Senior Policy Advisor to Governor Mapp on January 12<sup>th</sup>. Items discussed: (i). Retirees waiting for their initial annuity. (ii). Employer share billed and received for 2012, 2013, and 2014. (iii). Recalculations pending completion as per Act 7128 (44 retirees). (iv). Recalculations pending completion as per Act 7261 (325 retirees). (v). Settlement Agreement. (vi). Schedule of members on duty disability. (vii). An aging schedule of the retirees waiting for their initial annuity payment based on retirement date. The aging schedule should be in the format as follow: over 365 days, 180 days – 365 days, 90 days – 160 days, 60 days – 90 days, 30 days – 60 days, and under 30 days.

On January 20<sup>th</sup>, met with Director of Personnel Milton Potter. Items discussed: 1). The Director recommended that GERS change the effective date of January 1, 2015 for implementation of TIER I rate increases to coincide with the implementation of TIER II rate increases. 2). Retirees coming back to work in the government are required to give up their annuities after 75 days (now 600 hours). 3). Retirees who retired under TIER I returning to government after 5 or more years, will return under TIER II rules, and when he/she retires, their annuity will be calculated under TIER II benefit structure. 4). Can GERS garnish a retiree pay for not taking the health risk assessment? 5). Can Governor Mapp retains his Lt. Governor's pension while serving as Governor?

Since 2012, GERS has billed the GVI \$5,433,718 and received \$2,733,872.

Senator Gittens asked the Chairman to speak. He requested a copy o the Administrator's Report.

**Committee Reports.**

Investment Committee. Trustee Maynard indicated that he will schedule a meeting for February.

Policy Committee. Trustee Callwood stated that the committee had not acted on the 3 policies in the hands of the committee.

Development Committee. Trustee Smith stated that since the Nullyberg/Hoffman property has been rezoned, the committee will meet to discuss the Nullyberg/Hoffman and Coakley Bay properties.

Medical Committee. Trustee Callender reported that there is one signature away from getting the contract signed with the physician.

**Internal Auditor's Report.**

Absent.



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**Treasurer's Report.**

Grasilda H. Dobbins, CFO reported:

The December 31, 2014 report shows collections for the month of December 2014 in the amount of \$12,622,760.00 and disbursements in the amount of \$23,959,680.00 for a deficit of \$11,336,920.00. YTD FY 2015 shows collections in the amount of \$36,535,514.00 and disbursements in the amount of \$75,272,619.00, for a deficit of \$38,737,105.00.

Motion made by Trustee Smith and seconded by Trustee Callender to approve the Treasurer's Report. Motion passed 7 yes.

**Investment Officer's Report.**

Bruce Thomas, Investment Officer reported that:

1). The Fund Balance at the end of December 31, 2014 was \$869 million. 2). No withdrawals in the month of December. Plan to withdraw \$24 million in the month of January 2015. 3). Total Fund returned -0.1% for the month of December, outperformed the benchmark by 10 bps, domestic equity 0.9% return outperformed the benchmark by 10 bps, international equity -3.1% return outperformed the benchmark by 55 bps, and fixed income -0.5% return underperformed the benchmark by 57 bps 4). The Fund maintained 75% compliance with the VI Code.

**Regular Session**

New Business.

Election of Officers.

Dr. Wilbur Callender was elected to be the new Chairman for the next 2 years. Judge Edgar Ross was elected to be the new Vice Chairman for the next 2 years.

Motion made by Trustee Smith and seconded by Trustee Callender to ratify the poll vote for upgrade of the telephone system in the amount of \$82,648.54. Motion passed 6 yes, 1 abstain (McDonald).

Motion made by Trustee Callwood and seconded by Trustee Smith to ratify the poll vote to increase the Tier II rates. Motion passed 7 yes.

Motion made by Trustee Callwood and seconded by Trustee Ross to accept the Administrator's recommendation to amend the poll vote for Tier II to increase the legislative and judiciary rates by 3% (from 11% to 14%) to be effective February 5, 2015. Motion passed 7 yes.

Motion made by Trustee Smith and seconded by Trustee Callwood to amend the agenda under new business (iv) to include the annuity rates for the judiciary. Motion passed 7 yes.

Motion made by Trustee Callwood and seconded by Trustee Smith to establish the annuity rate of current members of the judiciary to 5% of compensation per year after one term; and the annuity rate of members

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of the judiciary appointed after January 21, 2015 shall be set at 3.5% of compensation per year after one term. Motion passed 6 yes, 1 no (Ross).

**Unfinished Business**

Motion made by Trustee Smith and seconded by Trustee Maynard to approve Meketa Investment Group contract. Motion passed 6 yes, 1 abstain (McDonald).

The approval of the Havensight Mall 2015 Budget was tabled because WICO did not respond to questions posed by the Administrator. The Board Counsel mentioned that GERS should write to WICO regarding the management agreement language wherein budget should be in place after 60 days of submission.

Motion made by Trustee Smith and seconded by Trustee McDonald to go into Executive Session.  
Motion passed 6 yes, 1 absent (Ross).

**Executive Session**

Motion made by Trustee Ross and seconded by Trustee Smith to come out of Executive Session.  
Motion passed 6 yes, 1 absent (Maynard).

**Regular Session**

Motion made by Trustee Callwood and seconded by Trustee Smith to settle the Olga Miray case.  
Motion passed 5 yes, 1 no (Ross), 1 absent (Maynard).

Motion made by Trustee Callwood and seconded by Trustee Ross to approve the Attorney Pedro Williams retainer contract. Motion passed 6 yes, 1 absent (Maynard).

Motion made by Trustee Ross and seconded by Trustee Maynard to adapt the conclusion as stated in the Meketa memorandum regarding Attilanus. Motion passed 7 yes.

The meeting was adjourned at approximately 1:45pm without objection so ordered by the Chairman.



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