

Government Employees Retirement System

Minutes of Board of Trustees Regular Meeting

Thursday November 17, 2011

The Regular Meeting of the Board of Trustees was held at the GERS conference room in St. Thomas (STT). The meeting was called to order at 9:40a.m.

Trustees in attendance were Raymond James, Chairman, Carver Farrow, Vice Chairman, Edgar Ross and Leona Smith. Wilbur Callender and Vincent Liger were excused. Desmond Maynard was absent.

Staff in attendance in STT: Austin Nibbs, Administrator, Anthony Selkridge, Assistant Administrator, Cathy Smith, General Counsel, Grasilda Dobbins, CFO, Charmaine Modeste, Internal Auditor, Tia Liburd, Communication Specialist, and Linda Bicar-Kabuka, Executive Assistant to the Board.

Also in attendance was Amos Carty, Esq. representing Pedro Williams, Board Counsel.

The stenographer was Desiree Hill.

Adoption of Secretary's Minutes.

A motion was made by Trustee Smith and seconded by Trustee Farrow to approve the Secretary's minutes for the Regular Meeting held on October 20, 2011, Special Board Meeting held on October 25, 2011 and Special Board Meeting held on November 14, 2011. Motion passed 4 Yes (Farrow, Ross, Smith and James), 3 Absent (Callender, Liger and Maynard).

Communications and Correspondences.

The Administrator read into the record the following communications and correspondences:

- 1). Letter dated November 8, 2011 from Senator Nellie Rivera-O'Reilly. The purpose of the letter is to request copies of the Water and Power Authority Electric and Water bills for GERS for the last six (6) months.
- 2). Letter dated November 16, 2011 from Senator Nellie Rivera-O'Reilly. The purpose of the letter is to request a complete breakdown of all closing costs and fees including, but not limited to, attorney fees for both sides and other professional fees relating to the \$13 million loan made by GERS to the Government of the Virgin Islands.

Chairperson's Report. None

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Administrator's Report.

The Administrator reported the following:

- 1). Attended the Shareholder's meeting and Board meeting of Seaborne Airline at the corporate headquarters in St. Croix on November 16, 2011.
- 2). Accepted an invitation to be the guest speaker at St. Croix Rotary West on Tuesday November 22, 2011.
- 3). Bruce Thomas will be coming on board as the Investment Officer on Monday November 21, 2011. Mr. Thomas is originally from St. Croix. He is coming from the City of Milwaukee Employees Retirement System. His prior work experience has been with the US Bank and Northern Trust Company. He will be assign to the St. Croix office.

Committee Reports. None.

Internal Auditor Report.

Highlighted ongoing area reviewing (V3 Project, State Street Compliance Monitoring System, Loan Division's Control Environment Evaluation, Cash Disbursements Audit and Accounting Software Upgrade)

Treasurer's Report.

Month ending October 31, 2011 receipts of \$15,657,111 and disbursements of \$24,046,627 for a deficit of \$8,389,516. Year to date FY 2012 receipts of \$15,657,111 and disbursements of \$24,046,627 for a year to date deficit of \$8,389,516.

A motion was made by Trustee Smith and seconded by Trustee Farrow to accept the Treasurer's Report. Motion passed 3 Yes (Farrow, Smith and James), 4 Absent (Callender, Liger, Maynard and Ross).

Regular Session.

Unfinished Business.

- 1). Analysis Update on GERS Mortgage Interest Rate. Tabled.
- 2). Transition Period for Investment Consultant and Decision on Fee.

Motion made by Trustee Farrow and seconded by Trustee Smith to authorize the Administrator to contract with Meketa Investment Group to perform Investment Consulting Services at the amount of \$250,000 proposed in the RFP and to correspond with Meketa regarding reasonable period for transition. Motion passed 4 Yes (Farrow, Ross, Smith and James) and 3 Absent (Callender, Liger and Maynard).

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3). Decision on Fee for Valuation Consultant.

Motion made by Trustee Farrow and seconded by Trustee Smith to authorize the Administrator to contract with Houlihan Lokey to conduct a review of the Alternative Investment Portfolio – Life Settlements) at the total all-inclusive maximum amount of \$100,000. Motion passed 4 Yes (Farrow, Ross, Smith and James) and 3 Absent (Callender, Liger and Maynard).

4). Update of Legislative Hearing on Rezoning of Nullyberg/Hoffman Property.

Administrator reported that the information requested by the Senate President is being compiled. Trustee Ross requested more information on the Special Warranty Deed (the warranties), and recommended that the title insurance company be made aware of the Moravian Church's claim.

New Business.

1). Motion made by Trustee Ross and seconded by Trustee Smith to approve PIMCO's request to continue to hold the downgraded Municipal Tobacco Bonds and Non-Agency Mortgage Security beyond the 90 days limit stated in the guidelines. Motion passed 4 Yes (Farrow, Ross, Smith and James) and 3 Absent (Callender, Liger and Maynard).

2). Motion made by Trustee Smith and seconded by Trustee Ross to approve the Certified Resolution to Designate Grasilda H. Dobbins as Chief Financial Officer as Signatory on Bank Accounts, Credit Cards or other Financial Documents. Motion passed 4 Yes (Farrow, Ross, Smith and James) and 3 Absent (Callender Liger and Maynard).

3). Motion made by Trustee Farrow and seconded by Trustee Smith to approve the Certified Resolution to Designate Evelyn Venner-Potter as Chief Operating Officer as Additional Signatory on Bank Accounts. Motion passed 4 Yes (Farrow, Ross, Smith and James) and 3 Absent (Callender, Liger and Maynard).

4). Motion made by Trustee Farrow and seconded by Trustee Smith to approve the Certified Resolution to Designate Anthony J. Selkridge as Assistant Administrator as Additional Signatory on Bank Accounts and other Financial Documents. Motion passed 4 Yes (Farrow, Ross, Smith and James) and 3 Absent (Callender, Liger and Maynard).

Motion made by Trustee Smith and seconded by Trustee Farrow to go into Executive Session. Motion passed 4 Yes (Farrow, Ross, Smith and James) and 3 Absent (Callender, Liger and Maynard).

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Executive Session.

Letter dated November 16, 2011 from Omer ErSelcuk, CEO, Seaborne Airlines was read into the record. The purpose of the letter is to request an extension from November 30, 2011 to January 31, 2012 to exercise Prepayment clause in the Loan Agreement relative to the Convertible Note, Article 1, Section 1.3.

The Administrator reported that the WICO negotiation is still scheduled for November 21st. The information that was requested had not yet been received.

Motion made by Trustee Smith and seconded by Trustee Farrow to come out of Executive Session. Motion passed 4 Yes (Farrow, Ross, Smith and James) and 3 Absent (Callender, Liger and Maynard).

Regular Session.

Motion made by Trustee Smith and seconded by Trustee Ross to grant Seaborne Airline's request for an extension from November 30, 2011 to January 31, 2012 to exercise the Prepayment provision in the Convertible Note, Article 1, Section 1.3. Motion passed 4 Yes (Farrow, Ross, Smith and James) and 3 Absent (Callender, Liger and Maynard).

Motion made by Trustee Ross and seconded by Trustee Farrow to adjourn. Motion passed 4 Yes (Farrow, Ross, Smith and James) and 3 Absent (Callender, Liger and Maynard).

The meeting adjourned at 10:56am.

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