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

St. Thomas/St. Croix via Zoom
Wednesday, December 1, 2021
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: 10/28/21)

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 Jones Lang LaSalle Feasibility Results for Planned Havensight Mall Development

(ii). Administrator Recommends Amending Scope of Work of the Jones Lang LaSalle Contract to Include Options to Review Port of $ale's Proposal with an Additional Fee of $15,000

(iii). Authorize the Administrator to Issue an FRP for Annual Audit of the System beginning with FY 2021 in Accordance with 3 VIC Section 715 (10)

(iv). Administrator Recommends Approval of GERS Proposed Return to Work Legislation

B. Unfinished Business

(i). Ratification of Poll Vote to extend Administrator's Contract until March 31, 2022

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). Havensight Mall – Legal

B. Unfinished Business

(i). Havensight Mall

XIV. Privileges of the Floor

XV. Adjournment

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
October 28, 2021

The Regular Meeting of the Board of Trustees for October 28, 2021 was called to order at 9:35 am. The meeting was held via Zoom. At roll call, Trustees present were Trustee Callwood, Dorsey, Cindy Richardson (Ex-Officio), Russell, Smith, and Bowry. Trustees not present were McDonald and Liger. Six (6) present, and two (2) absent. A quorum was established with 5 voting trustees present and 2 absent. Trustee Liger joined the meeting at 9:47am.

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

Also, present in the meeting were Pedro Williams, Board Counsel, and Stenographer, Desiree Hill.

In attendance were several retirees and active Members.

Comments and Suggestions from Retirees
There were no comments or suggestions from retirees or active members.

Trustee Dorsey requested from Chairman Bowry to consider combining the topics of approval of the FY 2022 Havensight Mall's Budget and approval of the Administration FY 2022 under Regular Session. Chairman Bowry agreed, board members had no objections and the agenda was re-ordered accordingly.

Trustee Dorsey recommended to the Chairman to add the Inspector General Report to the agenda regarding the re-employment of retired government employees. Chairman Bowry deferred the topic for another time.

Secretary's Minutes

A motion was made by Trustee Smith and seconded by Trustee Callwood to approve the Board meeting minutes for September 23, 2021. The motion passed with 5 yes (Callwood, Liger, Russell, Smith, Bowry); 1 not voting (Dorsey), and 1 absent (McDonald).

A motion was made by Trustee Smith and seconded by Trustee Callwood to approve the Board meeting minutes for August 26, 2021. The motion passed with 5 yes (Callwood, Liger, Russell, Smith, Bowry); 1 not voting (Dorsey), and 1 absent (McDonald).

A motion was made by Trustee Smith and seconded by Trustee Callwood to approve the Special Board meeting minutes for July 29, 2021. The motion passed with 5 yes (Callwood, Liger, Russell, Smith, Bowry); 1 not voting (Dorsey), and 1 absent (McDonald).

A motion was made by Trustee Smith and seconded by Trustee Callwood to approve the Board meeting minutes for June 17, 2021. The motion passed with 5 yes (Callwood, Liger, Russell, Smith, Bowry); 1 not voting (Dorsey), and 1 absent (McDonald).

Communications and Correspondences

1), In Act No. 8473 – Bill No. 34-0106 – $10M was appropriated ,

2). the Senate approved a $24,942,992 amount approved by the Third Circuit Court and includes the amount owed to GERS. The agency received $5M already, which resulted in a difference of $19,942,992 which due to the GERS for prior periods employer contributions.

3). In Act No. 8489 – Bill No. 34-0124 – $10M was appropriated from the Internal Revenue Matching for employer contributions.

Administrator Nibbs received an invitation to testify on October 26, 2021, on Bill No. 34-0108 to increase the age of Tier I senators from 50 to 60 years of age for senators. Senator Alma Francis Heyliger sponsored the Bill. GERS submitted recommendations to the Committee on Government Operations and Consumers Protection to amend the Bill because there are no Tier I senators. Tier II senators' age for retirement is already age 65 for Tier II members. The Bill did not pass.

The Committee on Finance of the Legislature invited Administrator Nibbs to testify about Bill No. 34-0099 by the 34th Legislature Committee on Finance on October 19th, 2021. Senator Dwane DeGraff sponsored this Bill relating to increasing the retirement age of police officers, firefighters, and prison guards from 55 to 63. GERS had no opposition to the Bill, however, mentioned that the economic impact as stated by the Actuary would be de minimis. The Bill was approved and moved to the Rules Committee.

Chairman's Report

Chairman Bowry (1) was approached by a member of the Governor's Team about addressing the insolvency.

Administrator's Report

Meetings, Presentations, and Appearances

September 27 – 30	Attended the Seatrade Global Conference in Miami, Florida.
September 29	The GERS/HMM Team met with Carnival Cruise Lines executives.
October 5	Met with Senator Carrion in a discussion of ideas concerning GERS's situation and possible solutions.

October 8	Attended the Havensight Mall Oversight Committee (HMOC) and Havensight Mall Management (HMM) meeting to discuss issues surrounding the taxi concession at the Havensight Mall.
October 11	Invited and appeared on former Senator Donastorg's radio program on WSTA.
October 13	Attended the Budget Committee Meeting Re: Havensight Mall FY 2022 Budget.
	Met with attorneys regarding easement issues at Havensight Mall.
October 14	Met with accountant/auditor regarding WICO's claim of intercompany payables going back to 2011/2012.
October 19	Invited and gave testimony to the Committee on Finance Re: Bill No. 34-0099. Increasing the age of police officers, firefighters, and prison guards (correction officers) from 55 – 63 for retirement.
October 20	Invited and gave testimony to the Committee on Government Operations & Consumer Protection Re: Bill No. 3-0108.
	Increasing the age of legislators from 60 to 65 for retirement.
October 21	Attended meeting with DPNR/CZM Re: Havensight Mall- demolition of warehouses and future development on parcels. Attendees HMOC and HMM, DPNR and CZM professionals.
	Attended entrance conference with HKT Energy Group. Attendees: HKT Team, HMOC and HMM, and Director of Energy for VI.
October 22	Attended the Policy Committee meeting.
	Attended the Havensight Mall Warehouse Demolition contractor selection meeting.
October 26	Met with HKT Energy, WAPA, and VI Energy Director on strategic issues re: micro-grid plans.
	Invited and appeared on WSTA Radio Program – Ideas and Issues.

Member Services

Retirement Applications - as of ~~October 31, 2021~~ September 30, 2021

	2015	2016	2017	2018	2019	2020	2021	Total
STX	147	111	118	178	143	113	109	
STT	147	164	127	224	172	123	119	
Total	294	275	245	402	315	236	228	
Processed	293	275	245	401	314	225	76	
Remaining	1	0	0	1	1	11	152	166*
	99%	*100%*	*100%*	*99%*	*99%*	*95%*	*33%*	

* Includes GVI and Semi-Autonomous Agencies.

As of September 30, 2021

2020 Life Certificate Distribution for *Duty/Non-Duty Disability Retirees*

71 – U.S. Mainland
160 – Virgin Islands
231 (Initial letters were dated 2/20/2020 with 3/20/2020 response deadline.)

200	Validated
3	Benefits Suspended
3	Deceased
25	Life Certificate Received and Benefits Restored
231	

Benefits Suspended = Address is changed to GERS and annuity checks are held by GERS until **either** a validated Life Certificate **or** a Death Certificate is received.

Disability Cases
There are a total of thirteen (13) disability cases pending.

Reconciliation and Control - Contribution Processing

October 1, 2020 – September 30, 2021-

Refunds

	No. Cases Completed	Total Amount	No. Cases Pending
Regular	342	$5,969,529.00	47
Erroneous	20	68,871.95	0
Employer Share	3	4,209.09	8
Overpayment	197	496,744.44	2
Total	562	$6,539,354.48	57

Death Benefits

Types	No. Completed 10/1/20-09/30/2021	Amount 10/1/20-09/30/2021	No. of Cases Pending
Active	37	$1,385,747.28	47
Retired	25	1,214,500.54	13
Total	62	$ 2,600,247.82	60

Life Certificate Distribution for *Regular Retirees*

- Distributed on September 20, 2021to 84 retirees in the Eastern Caribbean, Puerto Rico, Canada, and the Virgin Islands.
- Of the 84 distributed, 21 were returned.
- There is a 30 day return date. The 30-day policy was extended another 30 days due to the pandemic and current mailing delays with the USPS.
- Life certificates to regular retirees are distributed two times a year.

Accounting Department

Annuity Payments

No. of retirees as of September 30, 2021, payroll: **8,680**

700	Pensioners	$6,160.94		
702	Service Retirement Annuities	251,945,947.72		
703	Survivors' Annuities	1,646,799.34		
704	Duty-Connected Death Annuities	6,276.30		
705	Duty-Connected Disability Annuities	3,083,335.97		
706	Non-Duty Disability Annuities	1,554,389.19		
	Totals		258,236,748.52	w/o Pensioners
			258,242,909.46	W/Pensioners

Cumulative dollar paid out from October 1, 2020 – September 30, 2021

Number of retirees ***added to payroll*** from October 1, 2020 – September 30, 2021. **310**

Number of retirees added to the payroll for the September 30, 2021, pay date. **9**

Number of retirees expected to be placed on payroll for the October 15, 2021, pay date**: 7.**

Number of retirees ***deleted*** from payroll from October 1, 2020, through September 30, 2021: **329.**

The Gross Retiree Payroll for pay date 9/30/21 was $10,811,156.58.

Accounting Department

Annuity Payments

No. of retirees as of October 15, 2021, payroll: **8,675**

700	Pensioners	$0.00		
702	Service Retirement Annuities	10,547,676.13		
703	Survivors' Annuities	71,184.65		
704	Duty-Connected Death Annuities	106.81		
705	Duty-Connected Disability Annuities	128,174.31		
706	Non-Duty Disability Annuities	62,940.99		
	Totals		10,810,082.89	w/o Pensioners
			10,810,082.89	W/Pensioners

Cumulative dollar paid out from October 15, 2021 – October 15, 2021

Number of retirees ***added to payroll*** from October 1, 2021 – October 15, 2022. **8**

Number of retirees added to the payroll for the October 15, 2021, pay date. **8**

Number of retirees expected to be placed on payroll for the October 29, 2021, pay date**: 14.**

Number of retirees ***deleted*** from payroll from October 1, 2021, through October 15, 2022: **13.**

The Gross Retiree Payroll for the 10/15/21 pay date was $10,810,082.89.

PERSONAL LOANS	DATE		
	9/30/2021	STT/STJ	STX
Active Personal Loans	1328	697	631
Retiree Personal Loans	734	422	312
Auto Loans	0	0	0
	2062	**1119**	**943**
MORTGAGES			
Construction/Home Improvement	21	11	10
Land	29	23	6
Purchase/Refinance	34	23	11
Totals	**84**	**57**	**27**
TOTAL LOANS & MORTGAGE	**2,146**	**1,176**	**970**
TOTAL OUTSTANDING			
September 2021	**Total**	**STT/STJ**	**STX**
Active PL -	$ 11,515,021.81	$ 6,549,243.60	$ 4,965,778.21
Retiree PL -	7,717,935.40	4,463,365.51	3,254,569.89
Auto PL -	-		-
Purchase/Refi -	1,785,020.78	1,215,500.99	569,519.79
Construction -	2,038,485.53	1,187,148.10	851,337.43
Land Loans -	572,556.30	518,680.84	53,875.46
GRAND TOTAL	**$ 23,629,019.82**	**$ 13,933,939.04**	**$9,695,080.78**

Refund for Overpayments September 30, 2021

No. of Units	Total
42	$44,281.87

Operations

St. Croix Office Complex

Maintenance

- No major issues to report.

St. Thomas Office Complex

Hip Roof Replacement

- Purlins, steel beams, and insulation arrived on-site.

Air Conditioner Project

- 2nd Floor North and South air handlers' replacement postponed until late October, early November due to equipment delays and logistical /COVID related issues with personnel.

Next Steps in Air Conditioner Project

- Anticipated project completion date – New Date December 2021

OTHER ONGOING CAPITAL PROJECTS

Transformer Replacements – Three (3) quotes received. Selected contractor – Charles Electric
Fencing Repair and Construction at GERS Main – Selected Carlos Iron Works - the lowest bidder.

Havensight Mall

Warehouse Demolition

Interviews took place on Friday, October 8, 2021. Committee met on October 22, 2021, to discuss the selection.

Warehouse J

Contract executed and work has commenced.

Rental and Electricity Collections – Exhibit A

	September 2021	Total FYTD	Arrearages
Rental	$162,768.54	$953,291.70	$ 5,810.00
Electric	97,044.63	602,039.83	13,464.12
Total	$259,813.17	$ 1,555,331.53	$19,274.12

LEASES

Virgin Islands Finance Housing Authority – Addendum Signed. Lease is current until September 26, 2022.

Casino Control Commission –VICCC Lease fully executed. Lease is current until October 5, 2022.

Lease Agreements Pending.

Division of Personnel –Awaiting approval from the P&P's legal team.

Department of Justice –Sent Lease with P&P's suggested changes to DOJ for review on October 4, 2021, with a follow up email on October 12, 2021. Met with DOJ on October 13, 2021, to finalize lease language. Sent to P&P for review prior to signatures.

FEMA/INSURANCE

FEMA has resumed bi-weekly meetings for the Havensight Mall Warehouse Project.

EXHIBIT A

	September 2021 Collection						
	Rental Collection	Electrical Collection	Rental Year-To-Date Collection for FY 2020	Electrical Year-To-Date Collection for FY 2020	Total Year-To-Date Revenue Collection	Rental Arrearage	Electrical Arrearage
Department of Justice	$ 111,189.00	$ 73,279.54	$ 444,756.00	$ 448,965.54	$ 893,721.54	$ -	$ -
Division of Personnel	13,189.44	22,167.15	145,083.84	121,613.03	266,696.87	-	13,025.33
FirstBank	290.20		3,481.20	977.71	4,458.91	-	-
Opthalmology Consultants, LLC	6,365.40		76,384.80	-	76,384.80	-	-
Plessen Eye, LLC_ADMIN	4,009.28		56,129.92	-	56,129.92	-	-
Plessen Eye, LLC_ADMIN STORAGE	580.00		7,540.00	-	7,540.00	-	-
Plessen Eye, LLC_ASC	4,392.44		52,709.28	-	52,709.28	-	-
ResCare (JobCorps)	1,751.28		25,100.66	5,809.02	30,909.68	-	438.79
VI Housing Finance Authority	-	1,597.94	58,100.00	24,674.53	82,774.53	5,810.00	-
VI Casino	21,001.50	-	84,006.00	-	84,006.00	-	-
Total income Received	**$ 162,768.54**	**97,044.63**	**953,291.70**	**602,039.83**	**1,555,331.53**	**5,810.00**	**13,464.12**

Comments/Questions - Administrator's Reports

Administrator Nibbs clarified that his meeting with Senator Carrion was about raising the cap in contributions from $65K which was an activity that was discussed in the past but never came to buy-in with the Legislature. Raising the cap will bring in about $7M. However, this action may have legal implications because the terms and conditions of the contract will change due to a lack of additional benefits. Floating a pension obligation bond was not part of the conversation.

Mr. Nibbs will submit to the Board of Trustees a report regarding the team's experience at the Sea Trade Conference.

Committee Reports

a). Investment Committee - No Report.
(b). Development Committee – No Report.
(c). Medical Committee Report - No Report.
(d). Budget Committee Report – No Report.
(e). Policy Committee – Trustee Russell
The Policy Committee met and forwarded the Procurement Policy for the Board's consideration and the Medical Review Disability Policy for further discussion. The Policy Committee members agreed to present to Chairman Bowry the request of addressing how GERS can benefit from the congressional action by Honorable Stacey Plaskett, forgiving USVI depth as a future Board agenda item.

Trustee Dorsey requested to make a motion which Trustee Callwood objected to. Trustee's Dorsey motion was to discuss in a regular Board session the process of selecting an Administrator for the System. The motion died due to lack of a second motion.

Treasurer's Report

Ms. Denise Jeremiah reported that VIWAPA paid up from their ending pay period of June 12th $1,009,640 and are up to date as of pay date June 24th.

Ms. Denise Jeremiah read the Treasurer's Report for the System for September 30, 2021, into the record.

Total Collections for September 30, 2021 is $11.8M and FYTD is $170.7M and Total Disbursements for September 30, 2021 is $23.8M and FYTD is $289.5M; for Net Cash Deficits of $11.9M and $118.8M FYTD.

Ms. Denise Jeremiah, read the Financial Report for the Havensight Mall for September 30, 2021, into the record.

Total Collections for September 30, 2021 is $142K and FYTD is $2.4M and Total Disbursements for September 30, 2021; $529.2K and FYTD is $4.0M for Net Cash Deficits of $387.2K and $1.6M FYTD.

A narrative was included on both reports explaining the cashflow of the System and Havensight Mall.

Comments and Questions of Treasurer's Report
There was a question/comments from Trustee Dorsey that he was told that there are issues with the Loans in the V3 System. He also asked if the numbers in the Treasurer's Report for Loans were correct. Administrator Nibbs stated that the Vitech Software is working, and GERS have initiated the process to increase the functionality of the software. Administrator Nibbs and Ms. Jeremiah confirmed that the numbers relating to Loans in the Treasurer's Report are correct.

A motion was made by Trustee Russell and seconded by Trustee Callwood to accept the Treasurer's Report for September 30, 2021. The motion passed with 5 yes (Callwood, Liger, Russell, Smith, and Bowry), 1 absent (McDonald), and 1 not voting (Dorsey).

Investment Officer's Report
Glenville Henderson, Investment Analyst reported:

Total Plan Return is -0.1% for the month of September 30, 2021; Total Fixed Income Portfolio is -0.7% and outperformed its benchmark by 20 bps; Total Alternatives Return is 2.9% and outperformed its benchmark by 730bsps. Pugh Capital Return is -0.8% and outperformed its benchmark by 5bps and Mesirow funds return is 16.6%.

The monthly cashflow update ended with $436.6M (excludes Members Loans Program and St. Thomas/St. Croix office complexes); Beginning Market Value is $437M; Net Cash Flow is -$30.2K, Income is -$43.3K; Loss -$373.8K; Ending Market Value of $436.6M. No funds raised in the month of September.

Investment Management/Custodian/Consulting Fees for the month of September 30, 2021, is $30KMTD, $430K YTD ($354K for investment management; $61K for investment consulting; $15K for custodian bank services); $535K FYTD ($442K for investment management; $61K for investment consulting; $32K for custodian bank services).

Security Lending – MTD collected $1.2K; YTD collected $9.2K and FYTD collected $10.3K.

A motion was made by Trustee Russell and seconded by Trustee Callwood to adopt the Investment Officer Report. The motion passed with 6 yes (Callwood, Dorsey, Liger, Russell, Smith, and Bowry), 1 absent (McDonald).

Regular Session

A. New Business

(i). Approval of the FY 2022 Havensight Mall's Budget and the FY 2022 Administration Budget.

Administrator Nibbs presented highlights of the Administration's Budget reported to the Budget Committee on September 8th. It includes implementing the strategic plan by areas of focus, organization development, stakeholder engagement, technological and structure advancement, financial sustainability and growth, and operation deficiency and excellence.

Mr. Terence Thomas, Chief Information Technology Officer, informed the Board that the prospective timeframe of upgrading Vitech Software to Version 10 could be on or about 24 to 36 months based on the volume of information, data conversion, and other significant changes. GERS started the process by moving to the Vitech V3Locity Cloud system, which was a prerequisite to transition to the latest release of the software. Trustee Russell is recommending seeking alternatives to move about the upgrading process faster. Chairman Bowry will have a more detailed discussion of the V3 system in a separate meeting.

A motion was made by Trustee Smith and seconded by Trustee Callwood to accept the FY 2022 Administration Budget as presented. The motion passed with 5 yes (Callwood, Liger, Russell, Smith, and Bowry), 1 absent (McDonald), and 1 not voting (Dorsey).

Approval of the FY 2022 Havensight Mall's Budget

Administrator Nibbs presented highlights of the FY 2022 Havensight Mall's Budget reported to the Budget Committee on November 13th. Trustees in attendance were Callwood, Liger, Russell, and Chairman Bowry and the Committee approved the budget with 4 yes which moved it to the full Board for approval. Trustee Smith was absent.

A motion was made by Trustee Callwood and seconded by Trustee Russell to accept the FY 2022 Havensight Mall Budget as presented. The motion passed with 5 yes (Callwood, Liger, Russell, Smith, and Bowry), 1 absent (McDonald), and 1 not voting (Dorsey).

(ii). Consideration of the Procurement Policy

Board Counsel reported that the Procurement Policy was supported favorably by the Policy Committee members. A change in language will be reflected in Article 10 of the policy that discusses the interest of Trustees, employees, or former employees.

A motion was made by Trustee Russell and seconded by Trustee Callwood to adopt the Procurement Policy along with amendments indicated by the Board Counsel . The motion passed with 5 yes (Callwood, Dorsey, Russell, Smith, and Bowry), 1 absent (McDonald), Liger (one not voting).

(iii). Medical Review Disability Policy Discussion
Since the Policy committee did not reach a consensus, the members decided it was best to move it for the full board to consider. Trustee Callwood made a motion, and it was seconded by Trustee Dorsey to move the Medical Review Disability Policy discussion to a Special Board meeting. The motion passed with 6 yes (Callwood, Dorsey, Liger, Russell, Smith, and Bowry), and 1 absent (McDonald).

A motion was made by Trustee Russell and seconded by Trustee Smith to go into Executive Session. The motion passed with 6 yes (Callwood, Dorsey, Liger, Russell, Smith, and Bowry), 1 absent (McDonald). **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.**

Executive Session

The Administrator (Secretary of the Board) was not in attendance in the Executive Session and was not called back into the meeting to record the vote to move out of Executive Session and to report out anything discussed in Executive Session that needed to be reported in Regular Session.

Regular Session

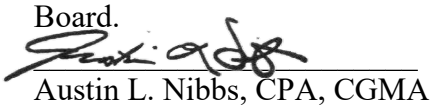
Chairman Bowry reported out that the Board received an update on legal matters and selection of an Administrator.

Privileges on the Floor
None.

Adjournment

A motion was made by Trustee Smith and seconded by Trustee Callwood to adjourn the meeting. Board Counsel Williams made the roll call and the motion passed with 6 yes (Callwood, Dorsey, Liger, Russell, Smith, and Bowry), 1 absent (McDonald).

The minutes for the Regular Session were transcribed from the zoom recording by Zaida Castro, Executive Assistant to the Administrator, and reviewed and approved by the Secretary of the Board.



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

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

ADMINISTRATOR'S REPORT

Regular Board Meeting

December 1, 2021

ADMINISTRATOR'S REPORT

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Meetings, Presentations, and Appearances

October 29th Meeting with developer and engineers Re: Havensight Mall future infrastructure development.

November 2nd Meeting with HKT, WAPA, Energy Re: Energy project at Havensight Mall.

5th Attended GERS Investment Committee meeting.

8th Meeting with JLL Re: Planning

15th Meeting with specific staff Re: Specific V3 challenges and r recommendations/solutions.

On island meeting will JLL consultants Re: Site visit at Havensight Mall.

16th Virtual general staff meeting.

18Th Attended Havensight Mall Oversight Committee/Management meeting,

Member Services

Retirement Applications - as of November 30, 2021

	2015	2016	2017	2018	2019	2020	2021	2022	Total
STX	147	111	118	178	143	113	127	4	
STT	147	164	127	224	172	123	135	2	
Total	294	275	245	402	315	236	262	6	
Processed	293	275	245	401	315	225	121	0	
Remaining	1	0	0	1	0	11	141	6	160*
	99%	*100%*	*100%*	*99%*	*99%*	*95%*	*46%*	*0%*	

Disability Life Certificates / Disability Cases – As of October 31, 2021

2020 Duty/Non-Duty Disability Life Certificate Distribution

71 – U.S. Mainland
160 – Virgin Islands
231 (Initial letters were dated 2/20/2020 with 3/20/2020 response deadline.)

200	Validated
3	Benefits Suspended
3	Deceased
25	Receipt of Life Certificate Pending
231	

Benefits Suspended = Address is changed to GERS and annuity checks are held by GERS until **either** a validated Life Certificate **or** a Death Certificate is received.

Status Updates: The Member Services Division mailed 231 Disability Life Certificates. We were able to validate that 225 individuals were alive. We identified 3 individuals who were deceased and they were subsequently removed them from the Retirees' Payroll.

We are still awaiting responses from three (3) individuals. Please note that these individuals are not currently being issued a retirement annuity payment.

In February 2022, we will send out ***Duty/Non-Duty Disability Life Certificates.***

DISABILITY CASES

There are a total of thirteen (13) disability cases pending a determination.

Reconciliation and Control - Contribution Processing
October 1, 2020 – October 31, 2021

Refunds

	No. Cases Completed	Total Amount	No. Cases Pending
Regular	39	$675,834.10	42
Erroneous	3	745.20	5
Employer Share	0	0.00	8
Overpayment	15	55,355.73	0
Total	57	$731,935.03	55

Death Benefits

Types	No. Completed 10/1/20-10/31/2021	Amount 10/1/20-10/31/2021	No. of Cases Pending
Active	1	$26,593.75	47
Retired	3	65,906.41	11
Total	4	$ 92,500.16	58

Accounting Department

Annuity Payments

No. of retirees as of November 15, 2021, payroll: **8,676**

Cumulative dollar paid out from October 1, 2021 – November 15, 2021

700	Pensioners	$0.00		
702	Service Retirement Annuities	31,665,900.54		
703	Survivors' Annuities	214,095.05		
704	Duty-Connected Death Annuities	320.43		
705	Duty-Connected Disability Annuities	384,522.93		
706	Non-Duty Disability Annuities	188,822.97		
	Totals		32,453,661.92	w/o Pensioners
			32,453,661.92	W/Pensioners

Number of retirees ***added to payroll*** from October 1, 2021 – November 15, 2021. **38**

Number of retirees added to the payroll for the November 15, 2021, pay date. **16**

Number of retirees expected to be placed on payroll for the November 30, 2021, pay date**: 34**

Number of retirees ***deleted from payroll*** from October 1, 2021, through November 15, 2022: **42**

Note: The Gross Retiree Payroll for the 11/15/21 payroll was $10,828,026.95.

PERSONAL LOANS	DATE		
	10/31/2021	STT/STJ	STX
Active Personal Loans	1,260	668	592
Retiree Personal Loans	712	414	298
Auto Loans	1	0	0
Totals	**1,973**	**1,082**	**890**
MORTGAGES			
Construction/Home Improvement	21	11	10
Land	27	23	4
Purchase/Refinance	34	23	11
Totals	**82**	**57**	**25**
TOTAL LOANS & MORTGAGES	**2,055**	**1,139**	**915**
TOTAL OUTSTANDING			
October 2021	**Total**	**STT/STJ**	**STX**
Active PL -	$ 10,606,668.15	$ 6,105,896.45	$ 4,500,771.70
Retiree PL -	7,502,609.93	4,378,626.91	3,123,983.02
Auto PL -	-		-
Purchase/Refi -	1,773,964.75	1,206,094.77	567,869.98
Construction -	2,089,626.21	1,245,859.56	843,766.65
Land Loans -	567,547.41	514,546.47	53,000.94
GRAND TOTAL	**$ 22,540,416.45**	**$ 13,451,024.16**	**$ 9,089,392.29**

Refund for Overpayments October 31, 2021

No. of Units	Total
16	**$25,817.91**

Operations

St. Croix Office Complex

Maintenance

- No major issue to report.

St. Thomas Office Complex

Hip Roof Replacement

- Roofing materials arrived on island. Work to begin week of November 15th.

OTHER ONGOING CAPITAL PRO

- Transformer Replacements – Contract Signed and mobilization fee provided to contractor. Contractor will place order for transformers.
- Fencing Repair and Construction at GERS Main
    - Contract Signed and mobilization fee provided Carlos Iron Works
- Security Access Entrance Gate – Equipment/ Supplies arrived on-site. Work shall commence week of November 15th.

Havensight Mall

Warehouse Demolition

Selection made and contractor was notified.

Warehouse J

Final Plans and submission for permits will commence week of November 22, 2021. RFP shall be posted by the 2nd week of December.

Rental and Electricity Collections – EXHIBIT A

	October 2021	Total FYTD	Arrearages
Rental	$8,406.88	$8,406.88	$ 71,028.46
Electric	3,147.89	3,147.89	79,475.55
Total	$11,554.77	$ 11,554.77	$150,504.01

LEASES

Lease Agreements Pending

Division of Personnel –Awaiting approval from the P&P's legal team.

Department of Justice – Sent final lease to DOJ on November 3rd preliminary submittal to Property and Procurement

EXHIBIT A - Rental Collection

	October 2021 Collection						
	Rental Collection	Electrical Collection	Rental Year-To-Date Collection for FY 2022	Electrical Year-To-Date Collection for FY 2022	Total Year-To-Date Revenue Collection	Rental Arrearage	Electrical Arrearage
Department of Justice	$ -	$ -	$ -		$ -	$ 37,063.00	$ 49,099.31
Division of Personnel	-	-	-		-	13,189.44	26,645.74
FirstBank	290.20	105.45	290.20	105.45	395.65	-	110.27
Opthalmology Consultants, LLC	6,365.40		6,365.40		6,365.40	-	-
Plessen Eye, LLC_ADMIN	-	-	-		-	4,009.28	-
Plessen Eye, LLC_ADMIN STORAGE	-	-	-		-	580.00	-
Plessen Eye, LLC_ASC	-	-	-		-	4,392.44	-
ResCare (JobCorps)	1,751.28	655.46	1,751.28	655.46	2,406.74	-	1,124.20
VI Housing Finance Authority	-	2,386.98		2,386.98	2,386.98	11,794.30	2,496.03
VI Casino	-	-		-	-	-	-
Total income Received	**$ 8,406.88**	**3,147.89**	**8,406.88**	**3,147.89**	**11,554.77**	**71,028.46**	**79,475.55**

THE GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF RECEIPTS
&
DISBURSEMENTS

PERIOD ENDING
October 31, 2021

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
Schedule of Receipts and Disbursements
Month Ending October 31, 2021

	October-21	October-20	YTD Fiscal 2022	YTD Fiscal 2021
Receipts from collections				
Loan Repayment	$ 973,606	$ 1,217,014	$ 973,606	$ 1,217,014
Rent from Tenants/Utilities	$ 45,470	$ 18,448	$ 45,470	$ 18,448
Employer Retirement Contributions	$ 7,849,546	$ 6,745,720	$ 7,849,546	$ 6,745,720
Employee Retirement Contributions	$ 3,993,466	$ 3,441,464	$ 3,993,466	$ 3,441,464
Parking Facility	$ 120	$ 700	$ 120	$ 700
Miscellaneous	$ 499,463	$ 4,015,487	$ 499,463	$ 4,015,487
Total Collections	**$ 13,361,671**	**$ 15,438,833**	**$ 13,361,671**	**$ 15,438,833**
Disbursements				
Annuity Payments	$ 21,938,121	$ 21,717,415	$ 21,938,121	$ 21,717,415
Administrative Expenses	$ 873,077	$ 1,332,163	$ 873,077	$ 1,332,163
Personal Loans	$ 7,979	$ 60,832	$ 7,979	$ 60,832
Mortgage Loans	$ 28,263	$ 7,810	$ 28,263	$ 7,810
Retiree Loans	$ 1,549	$ 1,456	$ 1,549	$ 1,456
Refund of Contributions	$ 711,575	$ 716,672	$ 711,575	$ 716,672
Total Disbursements	**$ 23,560,564**	**$ 23,836,347**	**$ 23,560,564**	**$ 23,836,347**
Net Cash Surplus/(Net Cash Deficit)	**$ (10,198,892)**	**$ (8,397,515)**	**$ (10,198,892)**	**$ (8,397,515)**

Synopsis

For the month of October 2021 GERS collected 57% of what is needed for expenses; and collected 13% less than it did for October FY2020.

Fiscal Year 2022 administrative expenses was approximately 5% of budget

$15,000,000 was withdrawn from the investment portfolio to meet the obligations of the Agency.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

ADMINISTRATIVE EXPENSES FISCAL YEAR 2022

	10/31/21	11/30/21	12/31/21	01/31/22	02/28/22	03/31/22	04/30/22	05/31/22	06/30/22	07/31/22	08/31/22	09/30/22	Total
Personnel Services	359,796												359,796
Fringe Benefits	146,596												146,596
Supplies	21,948												21,948
Other Services and Charges	362,272												362,272
Utilities	12,629												12,629
Capital Outlay	-												-
Subtotal	**903,241**	-	-	-	-	-	-	-	-	-	-	-	**903,241**
Reimbursement Electricity	(30,164)												(30,164)
Total	**$ 873,077**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 873,077**

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

Supplemental Information October 2021

Loan Disbursements:

Personal Loans		
Refund	7,979	**7,979**
Mortgage Loans		
Insurance	28,263	**28,263**
Retiree Loans		
Refund	1,549	**1,549**
TOTAL		**37,791**

Miscellaneous:

Delinquent & Investment Fee	3,752
Annuities (deceased pensioners checks)	11,741
VI Cost of Living Bonuses	338,289
ADEC	144,091
Structured Service Fees	1,570
Card Replacement	20
TOTAL	**499,463**

HAVENSIGHT MALL
Schedule of Receipts and Disbursements
Month Ending Oct 31, 2021

	October-21	October-20	YTD Fiscal 2022	YTD Fiscal 2021
Receipts from collections				
Rents from Havensight Tenants - net	$ 190,512	$ 103,417	$ 190,512	$ 103,417
Miscellaneous	$ 210	$ -	$ 210	$ -
Total Collections	**$ 190,722**	**$ 103,417**	**$ 190,722**	**$ 103,417**
Disbursements				
Personnel Services	$ 74,433	$ 79,327	$ 74,433	$ 79,327
Fringe Benefits	$ 26,533	$ 40,095	$ 26,533	$ 40,095
Supplies	$ 61	$ -	$ 61	$ -
Other Services and Charges	$ 18,245	$ 8,066	$ 18,245	$ 8,066
Utilities	$ 1,626	$ -	$ 1,626	$ -
Capital Project	$ 53,437	$ 282,330	$ 53,437	$ 282,330
Total Disbursements	$ 174,335	$ 409,818	$ 174,335	$ 409,818
Net Cash Surplus/(Net Cash Deficit)	**$ 16,387**	**$ (306,401)**	**$ 16,387**	**$ (306,401)**

Synopsis

For the month of October 2021 Havensight Mall collected 9% more than what is needed for the month's expenses

Collection was $87,305 or 84% more than it was in October of FY2021

Fiscal Year 2022 Havensight Mall expenses were 5% of budget

GERS OF USVI
October 31, 2021

Monthly Performance & Update

Total Plan Performance

- Total Plan returned 0.0% for the month
- Total Fixed Income's 0.0% return was inline with its benchmark
- Total Alternative's 0.2% return underperformed its benchmark by 710 bps

Notable Fund Performance

- Pugh Capital returned -0.1 and underperformed its benchmark by 7 bps
- Blackrock US Debt return was flat 0.0%
- Mesirow Funds returned -0.6%

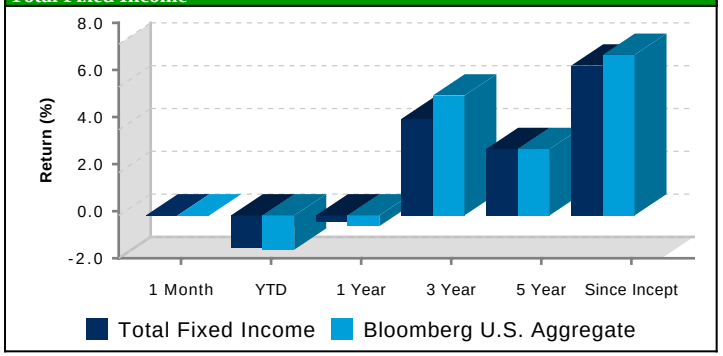
Compliance Updates

- No updates for the month

Total Plan

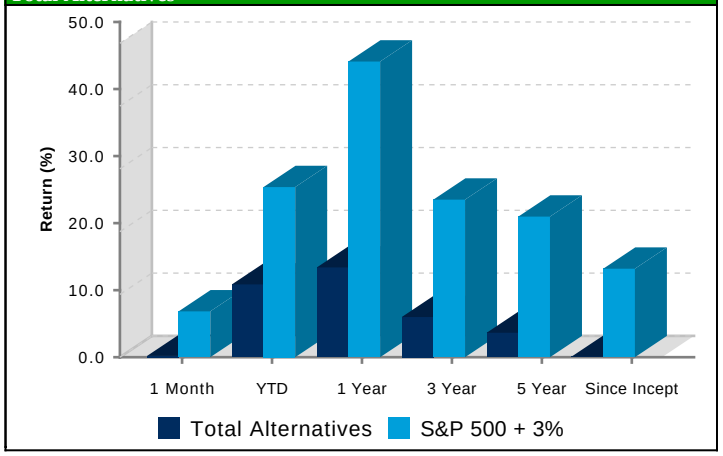
	1 Month	YTD	1 Year	3 Year	5 Year	Since Incept
Total Plan	0.0	1.3	4.4	6.1	6.7	8.5

Total Fixed Income



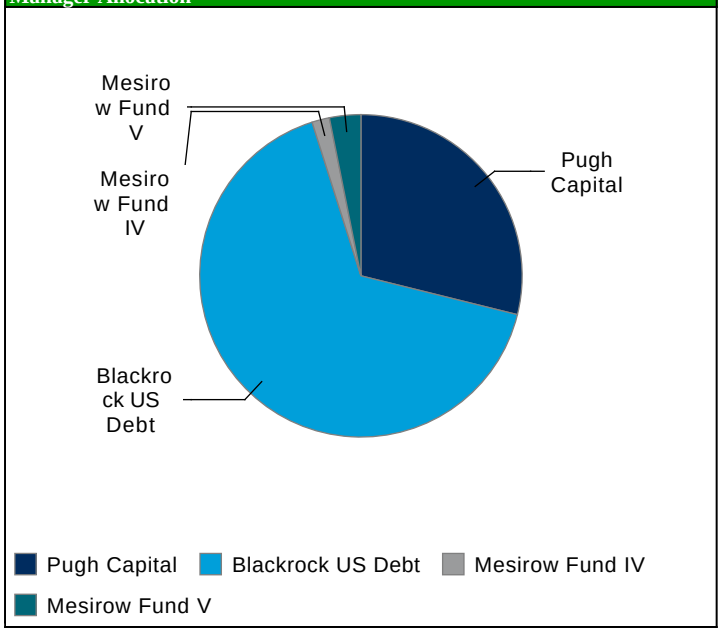
	1 Month	YTD	1 Year	3 Year	5 Year	Since Incept
Total Fixed Income	-0.0	-1.5	-0.3	4.5	3.1	7.0
Bloomberg U.S. Aggregate	-0.0	-1.6	-0.5	5.6	3.1	7.5
Excess	-0.0	0.1	0.2	-1.1	0.1	-0.6

Total Alternatives



	1 Month	YTD	1 Year	3 Year	5 Year	Since Incept
Total Alternatives	0.2	11.6	14.3	6.4	3.9	0.1
S&P 500 + 3%	7.3	27.1	47.1	25.1	22.4	14.1
Excess	-7.1	-15.5	-32.8	-18.7	-18.5	-14.0

Manager Allocation



*Total Alternatives performance excludes Member Loan Program, STT Office Complex, and STX Office Complex

GERS OF USVI
October 31, 2021

Monthly Cash Flow Update

Cash Flow

- Ended month at approximately $421.5 million*
- Raised $25 million in the month of October
  - $25 million from Blackrock US Debt

Investment Management/Custodian/Consulting Fees

- $44 thousand MTD
  - Investment management $44 thousand
- $582 thousand Calendar YTD
  - Investment management $443 thousand
  - Investment consultant $94 thousand
  - Custodian bank $45 thousand
- $44 thousand FYTD
  - Investment management $44 thousand

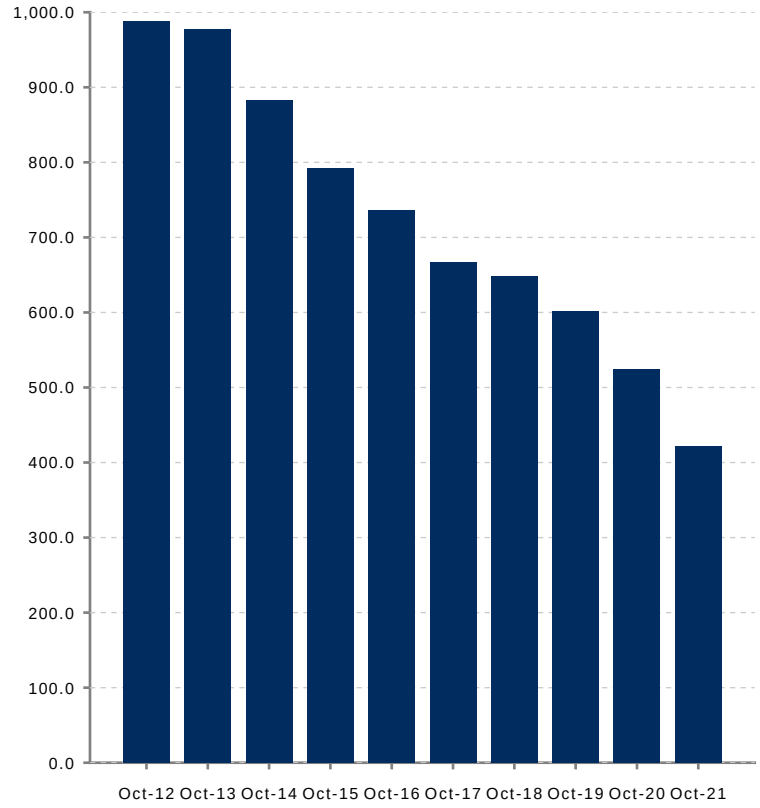
Securities Lending

- MTD earnings $800
- YTD earnings $10,000
- FYTD earnings $800

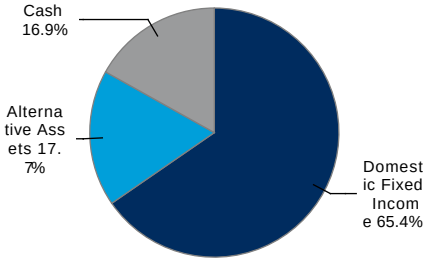
Record of Asset Growth

	One Month	Year to Date	One Year
Total Plan			
Beginning Market Value	436,577,929	510,450,368	524,871,940
Net Cash Flow	-15,043,926	-94,444,612	-124,549,318
Income	403,173	3,257,671	3,888,520
Gain/Loss	-395,557	2,278,192	17,330,477
Ending Market Value	421,541,619	421,541,619	421,541,619

Net Asset Value over Time ($000)



Asset Allocation



Allocation Market Values

	Ending Market Value in Millions
Domestic Fixed Income	275.65
Alternative Assets	74.77
Cash	71.11

* Excludes: Members Loan Program - (MV) $23.6 million, STT Office Complex - (MV) $8 million, and STX Office Complex - (MV) $3.3 million.

REGULAR

SESSION

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

OF THE VIRGIN ISLANDS

"Contributing today for a better tomorrow"

November 10, 2021

Nellon Bowry
Chairman, GERS Board of Trustees
3438 Kronprindsens Gade, 3rd Floor
St. Thomas, Virgin Islands 00802

Subject: Auditor Rotation Policy

Dear Mr. Chairman:

In my email to you dated November 3, 2021, and copied to the GERS Board of Trustees, the Chief Financial Officer recommended that we go out for bids for audit services for the audit year ending September 30, 2021, with which I concurred. It has been more than 10 years since the System has advertised for auditing services. In your response to my email dated November 4th, you requested clarifications.

3 VIC § 715 states:

> (10) The Board shall annually retain a nationally recognized Certified Public Accountant, with experience in pension and trust accounting, to audit the financial statements of the system. The term for which the Board may contract to employ a Certified Public Accountant may not exceed five years, nor may the Board contract the same person or entity for more than two consecutive five-year terms; and

There is no longer a mandatory requirement for rotation of auditors by the Public Company Accounting Oversight Board (PCAOB). The PCAOB, which Congress created to oversee the audit of public companies, SEC-registered brokers, and dealer, however, continues to recommend mandatory rotation of leads and concurring partners after a maximum of 5 years and audit partners after 7 years on the engagement.

We note that the American Institute of Certified Public Accountants (AICPA) does not agree with mandatory rotation for the following reasons:

- Rotation may limit institutional knowledge and industry specialization that increases during work with a client.
- Implementing mandatory rotation may unintentionally undermine the role of the audit committee by preventing the selection and retention of the most qualified firm.
- Research indicates "audit quality actually increases with audit firm tenure…there is a significant learning process for the auditor, i.e., an auditor needs time to get to know sufficiently well the business of the client and, consequently, audit quality tends to increase over time."

- According to the Government Accountability Office, "in the first year, mandatory firm rotation could result in increased audit costs of more than 20%."

AICPA officials have said, "research indicates that mandatory audit firm rotation has the unintended consequence of increasing the propensity for fraud according to Rubino & McGeehin."

Bert Smith & Company has been our auditor for more than two consecutive five-year terms as specified in the Virgin Islands Code. Therefore, it is the recommendation of the Chief Financial Officer and the Administrator, who are the signatories on the Management Letter, which is a requirement of the annual audit, that the GERS issue an RFP for audit services for a five (5) year contract beginning with year ended September 30, 2021.

I want to clarify that the CFO and the Administrator are not dissatisfied with the services of Bert Smith & Co.

Sincerely,

Austin L. Nibbs, CPA, CGMA
Administrator/CEO

cc: GERS Board
Pedro K. Williams, Esq., Board Counsel
Cathy M. Smith, Esq., General Counsel
Ishmael Meyers, Esq., Deputy General Counsel
Denise Jeremiah, CPA, Chief Financial Officer

BILL No._____

Thirty-Fourth Legislature of the Virgin Islands

, 2021

An Act to amend Title 3, Chapter 27, Section 706, by replacing subsection (c).

PROPOSED BY:

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Title 3, Chapter 27, § 706 (c) is amended deleting subsection (c) and replacing with the following language:

> "Any member receiving a service retirement annuity who reenters the service of the government may continue to receive an annuity while in receipt of salary from the Government, either by appointment or on a contractual basis, for a period not to exceed two years. The employer and employee shall be required to pay into the GERS the appropriate contributions for any retiree returning to work under this section and continuing to receive an annuity. The employer and the member returning to work under this provision shall immediately notify the GERS and provide the employment documentation."
>
> At the end of such period, the service retirement annuity shall be cancelled, and the member shall thereupon again become a contributor to the system. Upon subsequent retirement, the member shall receive a retirement annuity which shall consist of (a) the previous retirement annuity which had been cancelled, plus (b) the additional retirement annuity earned during reemployment. The GERS is required to receive the appropriate employer and employee contribution for any retiree returning to work under this section and continuing to receive an annuity. The member shall receive no additional service credit during reemployment nor shall the employer or the member receive a refund of contributions under this provision."

BILL SUMMARY

This bill allows any member receiving a service retirement annuity to reenter the service of the government and continue to receive an annuity while in receipt of salary for a

period of up to five (5) years if the GERS receive employer and employee contributions from any retiree returning to work and continues to receive an annuity. This bill also requires the member and the employer to provide the employment documentation.

BILL No._____

Thirty-Fourth Legislature of the Virgin Islands

, 2021

An Act to amend Title 3, Chapter 27, Section 755, by replacing subsection (c).

PROPOSED BY:

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Title 3, Chapter 27, § 755 (c) is amended deleting subsection (c) and replacing with the following language:

> "Any member receiving a service retirement annuity who reenters the service of the government may continue to receive an annuity while in receipt of salary from the Government, either by appointment or on a contractual basis, for a period not to exceed two years. The employer and employee shall be required to pay into the GERS the appropriate contributions for any retiree returning to work under this section and continuing to receive an annuity. The employer and the member returning to work under this provision shall immediately notify the GERS and provide the employment documentation."
>
> At the end of such period, the service retirement annuity shall be cancelled, and the member shall thereupon again become a contributor to the system. Upon subsequent retirement, the member shall receive a retirement annuity which shall consist of (a) the previous retirement annuity which had been cancelled, plus (b) the additional retirement annuity earned during reemployment. The GERS is required to receive the appropriate employer and employee contribution for any retiree returning to work under this section and continuing to receive an annuity. The member shall receive no additional service credit during reemployment nor shall the employer or the member receive a refund of contributions under this provision."

BILL SUMMARY

This bill allows any member receiving a service retirement annuity to reenter the service of the government and continue to receive an annuity while in receipt of salary for a period of up to five (5) years if the GERS receive employer and employee contributions

from any retiree returning to work and continues to receive an annuity. This bill also requires the member and the employer to provide the employment documentation.

Coley, Nikia

From: Coley, Nikia
Sent: Tuesday, November 16, 2021 9:19 AM
To: GERS Board
Cc: Leona Smith; vincent liger; Andre' Dorsey; Dwa Callwood; Canaan Law; Bowry, Nellon
Subject: Request for Poll Vote

Importance: High

Good Morning Trustees,

Chairman Bowry is requesting a poll vote for the following:

To authorize the Chairman of the Board to negotiate and execute a three-month contract extension (until March 31, 2022) with Mr. Austin Nibbs, substantially in line with his existing contract extension (no salary increase).

The extension is necessary to accommodate the Board's decision to expand the search for a replacement Administrator/CEO. Time is of the essence to allow Mr. Nibbs to make the necessary adjustments to his personal plans.

Please respond to this email with your vote: "Yes", "No" or "Not Voting".

Respectfully,

Nikia L. Coley, MBA
ADMINISTRATIVE ASSISTANT TO THE BOARD
GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM OF THE VIRGIN ISLANDS
3438 Kronprindsens Gade | GERS Complex, Ste. 1 | St. Thomas, VI 00802-5720
E: ncoley@usvigers.com

Responses:
D. Callwood - yes
L. Smith - yes
N. Bowry - yes
R. Russel - yes
V. Liger - yes

No Response:
A. Dorsey

EXECUTIVE

SESSION