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

St. Thomas/St. Croix via Zoom
Thursday, June 17, 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: 05/27/21)

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). Discussion on Bill No. 34-0067

B. Unfinished Business

(i). Recommendation for Honoring and Commending Retiring Trustees

(ii). Ratify Poll Vote for Havensight Oversight Committee's Recommendation for Havensight Mall Tenants

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. Unfinished Business

(i). Personnel Matters

XIV. Privileges of the Floor

XV. Adjournment

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
MINUTES BOARD OF TRUSTEES REGULAR MEETING
May 27, 2021

The Regular Meeting of the Board of Trustees for May 27, 2021, was called to order at 9:41a.m. The meeting was held via Zoom. At roll call, Trustees present were Trustee Dayna Clendinen, (Ex-Officio), Dorsey, Liger, Smith, and Bowry. Trustees not present were Callwood and McDonald.

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

Also, present in the meeting were Pedro Williams, Board Counsel, Kelsha Williams, Attorney in the Office of Pedro Williams. The meeting was recorded by Zoom.

Comments and Suggestions from Retirees
Retiree Attorney Acquanette Chinnery thanked the Board for advertising the zoom link for the Regular Board meeting and sharing documents on the GERS website.

Secretary's Minutes
A motion was made by Trustee Smith and seconded by Trustee Liger to approve the Secretary minutes for the April 22, 2021, Regular Board meeting. The motion passed with 4 yes (Dorsey, Liger, Smith, Bowry); and 2 absent (Callwood and McDonald).

Communications and Correspondences
The Legislature of the Virgin Islands, Committee on Finance Chairman, Senator Kurt Vialet, submitted its annual invitation for GERS to present the System's 2022 Fiscal Year Budget on Monday, August 16, 2021, at the Earle B. Ottley Legislature Hall on St. Thomas at 1:00p.m. GERS budget is not approved by the Legislature.

Director of Finance and Administration for the Virgin Islands Public Finance Authority, Nathan Simmonds, submitted an invitation for the Municipal Finance Presentation. The event has limited seating at Antilles School on June 4th at 9:30a.m. and will also be conducted via zoom.

Correspondence was submitted to Governor Albert Bryan Jr. on May 24, 2021, regarding appointment letter and certificate for Ronald E. Russell, Esq. as the elected Retiree Trustee for the St. Croix district. Attorney Russell was the only person that applied and being that he qualified, Attorney Russell was accepted as elected.

On May 24th, Administrator Nibbs submitted e-mail to Commissioner Nominee for Department of Finance, Bosede Bruce, in regard to Act 8383 correspondence dated March 1st originally sent to then Acting Commissioner of Finance, Clarina Modeste Elliot. Administrator Nibbs is awaiting response as to what the status is of request.

A billing invoice dated May 19, 2021 was submitted to OMB Director and Commissioner Nominee for Department of Finance, Bosede Bruce, for total employer contributions due for $30.9M, which includes the Third Circuit Court award of $19.9M, in addition to outstanding contributions for fiscal year 2021

for $10M and a past due balance of $1M for fiscal year 2020. Every fiscal year GERS by law must receive $10M from the internal revenue matching fund.

Chairman Bowry's Report

Chairman Bowry (1) Reached out to Attorney Ronald Russell and welcomed him as the new Retiree Trustee; (2)Legislative members of the special GERS Subcommittee and GERS representatives were unable to resume its usual scheduled work session because of a pre-empted emergency. Trustee Bowry will keep the Board informed of new dates.

Administrator's Report

Meetings, Presentations, and Appearances

April 23rd – Meeting with Oversight Committee Re: Carnival function on WICO's dock on April 30th.

April 28th / 29th – Participated in the new trustee orientation.

April 30th – Meeting with the Havensight Mall Marketing subcommittee.

May 3rd /4th/5th /6th – One on one meetings with Havensight Mall tenants.

May 6th – Meeting with roof contractor for Havensight Mall.

May 7th – Meeting with potential consultant for technical assistance Re: HM generator project.

May 10th/11th/12th/13th/17th - One on one meetings with Havensight Mall tenants.

May 17th – Meeting with the VIPA Director.

May 19th – Meeting with group interested in purchasing the Estate Hoffman/Nullyberg property.

Meeting for presentation of technical assistance proposal for HM generator project.

Meeting with the GVI's stakeholders (VIPA, WICO, Tourism, DOH) Re: Protocol for return of cruise lines.

May 20th One on one meetings with Havensight Mall tenants and Oversight Committee.

May 21st – Attended the Investment Committee meeting.

Member Services

Retirement Applications - as of May 31, 2021

	2015	2016	2017	2018	2019	2020	2021	Total
STX	147	111	118	178	143	114	40	
STT	147	164	127	224	172	123	44	
Total	294	275	245	402	315	237	84	
Processed	293	274	245	398	310	197	12	
Remaining	1	1	0	4	5	40	72	123*
	99%	*99%*	*100%*	*99%*	*98%*	*83%*	*14%*	

* Includes GVI and Semi-Autonomous Agencies.

Disability Life Certificates – As of March 31, 2021
No Change from as of April 30, 2021.

October 1, 2020 – April 30, 2021
Reconciliation and Control - Contribution Processing

Refunds

	No. Cases Completed	Total Amount	No. Cases Pending
Regular	192	$3,343,285.01	66
Erroneous	8	15,855.27	3
Employer Share	3	4,209.09	0
Overpayment	96	280,192.50	11
Total	299	$3,643,541.87	80

Death Benefits

Types	No. Completed 10/1/20-04/30/2021	Amount 10/1/20-04/30/2021	No. of Cases Pending
Active	22	$927,099.61	51
Retired	8	470,182.25	24
Total	30	$ 1,397,281.86	75

Accounting Department

Annuity Payments

No. of Retirees as of May 15, 2021 payroll: **8,668**

Cumulative dollar paid out from October 1, 2020 – May 15, 2021

700	Pensioners	$4,215.38		
702	Service Retirement Annuities	157,007,265.43		
703	Survivors' Annuities	1,013,044.33		
704	Duty-Connected Death Annuities	4,696.20		
705	Duty-Connected Disability Annuities	1,948,063.43		
706	Non-Duty Disability Annuities	990,761.51		
	Totals		160,963,830.90	w/o Pensioners
			160,968,046.28	W/Pensioners

Number of retirees added to payroll from October 1, 2020 – May 15, 2021. **182**

Number of retirees added to the payroll for the May 15, 2021 pay date. **27**

Number of retirees expected to be placed on payroll for the May 28, 2021 pay date**: 26**

Number of retirees deleted from payroll from October 1, 2020 through May 15, 2021: **213**

Note: The Gross Retiree Payroll for the May 15, 2021 payroll is $ 10,771,125.80.

Active employees – April 2021 – 8,780.

Member Loans Portfolio

PERSONAL LOANS	DATE		
	4/30/2021	STT	STX
Active Personal Loans	1635	863	772
Retiree Personal Loans	781	452	329
Auto Loans	0	0	0
	2,416	1,315	1,101
MORTGAGES			
Construction/Home Improvement	21	11	10
Land	30	24	6
Purchase/Refinance	35	24	11
Totals	86	59	27
TOTAL LOANS & MORTGAGES	2,502	1,374	1,128
TOTAL OUTSTANDING			
April 2021	Total	STT	STX
Active PL -	$ 15,669,570.02	$ 8,911,265.27	$ 6,758,304.75
Retiree PL -	7,825,103.46	4,079,361.08	3,745,742.38
Auto PL -	-	-	-
Purchase/Refi -	1,846,007.14	1,256,800.59	589,206.55
Construction -	2,187,926.78	1,304,968.52	882,958.26
Land Loans -	597,400.52	540,249.64	57,150.88
GRAND TOTAL	$ 28,126,007.92	$ 16,092,645.10	$ 12,033,362.82

Operations

St. Croix Office Complex

No issues to report. Water Pumps and Tank,

St. Thomas Office Complex

Water Pumps and Tank

- Installation of the water and pumps should be completed by May 28, 2021.

- **Generator and Fuel in Tank**
  Import Supply's auxiliary electrical pump installation is still pending.

  Hip Roof Replacement
- Drawings and RFP being reviewed and scheduled to be out to bid the week of May 17.

Air Conditioner Project

- Permanent water chiller lines are installed

Next Steps in Air Conditioner Project

- Dismantle old air handlers and install new air handlers.
- Connect VAVs.
- Install Central Air Control System
- Redesign as necessary (diffusers and returns) to ensure proper airflow throughout the building.
- Anticipated project completion date – June 2021

OTHER ONGOING CAPITAL PROJECTS

- **Lobby/Atrium/ Restroom Renovations/ ADA Compliance –** Architect Contract signed, and the GERS received designs/drawings.

Rental and Electricity Collections – Exhibit A

	April 2021	Total FYTD	Arrearages
Rental	$85,873.59	$450,408.40	$96,297.16
Electric	209,260.87	376,017.05	80,687.65
Total	$295,134.46	$826,425.45	$176,984.81

LEASES

Division of Personnel – Met with Property and Procurement; Sent the One-Year Draft Lease effective 10-1-2020 to 9-30-2021 with CAM charges. A meeting was held to negotiate a one-year lease. Awaiting signatures UPDATE: Lease is at DOP to sign as of March 15, 2021. DOP in talk with Property and Procurement for finalization.
May Update – Lease returned for initials on each page and general liability insurance documentation – returned to Property and Procurement.

Department of Justice – Met with Property and Procurement; Sent the One-Year Draft Lease effective 10-1-2020 to 9-30-2021 with CAM charges. Sent follow up email to secure dates on February 10, 2021, and February 17, 2021, to negotiate a one-year lease for 10-1-2021 to 9-30-2022. UPDATE: Meeting scheduled for March 23, 2021 (tentatively) for lease review. April Update: DOJ Lease Negotiations took place on March 23, 2021. Pending language suggestions (DOJ), however, the DOJ has objections and would like consideration for a longer lease. The main reason for the objection is the pending renovations/improvement to their space- floors (from carpet to tile)– walls, and doors which are fixtures and increases the overall value of the building. Their planned investment is upwards of $800K.
No new updates.

Casino Control Commission – Letter sent and received about a one-year term only. Follow up email sent to the VICCC. The Commission responded with an emailed letter questioning a one-year lease agreement notification while still in active negotiation with a five-year lease term. GERS responded with new meeting date of February 23, 2021.UPDATE: GERS Met with VICCC on March 4, 2021. Waiting on VICCC to agree/disagree on suggested language. April Update: Received the language suggestions from VICCC, lease, GERS finalizing to accept the language proposal.
May Update – GERS accepted language and proposed/updated language in section 1.2 to address the option to renew.

Building Appraisals
Appraisals – St. Thomas Complex Appraisal was completed. STX Complex pending.

Strategic Planning and Organization Development Officer

April 12, 2021 - Forwarded documents and reports to the team at UVI
UVI Strategic Team met with GERS Staff Mandatory - Friday, February 19, 2021 - 10 a.m.
UVI Strategic Team met GERS Board of Trustees - Tuesday, February 23, 2021, - 5:30 p.m.
Community at Large - Thursday, March 16, 2021, 6 p.m.
Business Community - Thursday, March 18, 2021, 6 p.m.
Retired Members - Thursday, March 23, 2021, 6 p.m.
Active Members - Tuesday, March 25, 2021, 6 p.m.
UPDATE: Made contact with Senate President Staff and the Governor's Administrative Team for Scheduling Meetings (to be scheduled by May 31)

FEMA/INSURANCE (EXHIBIT B)

The response was made to FEMA to continue the process of obtaining the Warehouse 428 monies. The GERS can withdraw at any time.

Recap

Update on 428 Project – Warehouses
GERS opted for the 428 project, which gives the latitude to use the property (Warehouses) for alternate use or use the money for alternate related uses. After the alternate use project is completed and paid for, the GERS will be accountable for using any excess dollars for allowable/eligible uses only if the amount falls below the Gross Cost Amount. The project also requires Environmental Hazard Protection approval of our scope of work intended use.

Gross Cost is $2,358, 468.20
Insurance proceeds applied - $1,548.239.91
Balance $710,228.29

Federal cost share is 90% - $639,205.47
GERS Cost $71,022.82

CUSTOMER SERVICE CONTACTS FOR APRIL 2021 (EXHIBIT C)

EXHIBIT A

	April 2021 Collection						
	Rental Collection	Electrical Collection	Rental Year-To-Date Collection for FY 2021	Electrical Year-To-Date Collection for FY 2021	Total Year-To-Date Collection	Rental Arrearage	Electrical Arrearage
Department of Justice	$ -	$ 137,308.48	$ 185,315.00	$ 287,308.48	$ 472,623.48	$ 74,126.00	$ 67,639.44
Division of Personnel	65,947.20	66,478.51	65,947.20	66,478.51	132,425.71	13,189.44	13,048.21
FirstBank	290.20	105.63	2,030.20	636.99	2,667.19	-	-
Opthalmology Consultants, LLC	6,365.40		44,557.80		44,557.80	-	-
Plessen Eye, LLC_ADMIN			32,074.24		32,074.24	4,009.28	-
Plessen Eye, LLC_ADMIN STORAGE			4,060.00		4,060.00	580.00	-
Plessen Eye, LLC_ASC			26,354.64		26,354.64	4,392.44	-
ResCare (Job Corps)	1,650.79	656.61	13,206.32	4,631.13	17,837.45	-	-
VI Housing Finance Authority	11,620.00	4,711.64	34,860.00	16,961.94	51,821.94	-	
VI Casino		-	42,003.00		42,003.00	-	-
Total income Received	**$ 85,873.59**	**209,260.87**	**450,408.40**	**376,017.05**	**826,425.45**	**96,297.16**	**80,687.65**

EXHIBIT B

Government Employees' Retirement System of the Virgin Islands
Federal Emergency Management Agency
Hurricane Irma and Maria

St. Thomas FEMA Update

Project #	Category	Title	Type	Process Step	Activity Completion Deadline	# Damages	Best Available Cost	Best Available Federal Share Cost
85149	A - Debris Removal	TIUEN03-GM85149-Debris Removal The Havensight Mall	Work Completed / Fully Documented	Obligated	9/7/2018	1	$15,956.56	$15,956.56
120067	Z - Management Costs	TIUEN04Z-Cat-Z Management Costs	Management Costs	Obligated	9/7/2021	1	$4,188.00	$4,188.00
118938	Z - Management Costs	TMUEN06- Cat-Z Management Costs	Management Costs	Obligated	9/21/2021	1	$40,138.83	$40,138.83
70981	B - Emergency Protective Measures	TIUEN01- Generator Usage	Work Completed / Fully Documented	Obligated	9/7/2018	1	$83,760.00	$83,760.00
70588	B - Emergency Protective Measures	TMUEN01- Generator Usage	Work Completed / Fully Documented	Obligated	9/20/2018	2	$275,012.00	$275,012.00
79732	B - Emergency Protective Measures	TMUEN04 - EPM Administrative Building	Work Completed / Fully Documented	Obligated	9/20/2018	1	$61,103.40	$61,103.40
122156	E - Buildings and Equipment	TMUEN07 Administrative Building	Work Completed / Fully Documented	Obligated	3/21/2019	1	$153,014.00	$137,712.60
82473	E - Buildings and Equipment	TMUEN05-GM82473-GERS Haventsight Security Surveillance Camera System	Standard	Obligated	3/21/2019	1	$466,661.15	$419,995.04
117610	E - Buildings and Equipment	TMUEN02 - GERS Havensight Mall Retail Buildings	Standard	Pending Draw Down	3/21/2019	12	$360,000.00	$324,000.00
125099	E - Buildings and Equipment	TMUEN08 GERS Havensight Warehouses	Specialized	Pending Inurance Review and EHP	3/21/2019	6	$2,282,000.00	
								$1,361,866.43

St. Croix FEMA Update

Project #	Category	Title	Type	Process Step	Activity Completion Deadline	# Damages	Best Available Cost	Best Available Federal Share Cost
81185	E - Buildings and Equipment	XMUEN02 - Building and Contents	Standard	Pending FEMA Insurance Review	3/21/2019	3	$245,935.00	$221,341.50
70600	B - Emergency Protective Measures	XMUEN01 - Generator	Work Completed / Fully Documented	Obligated	9/20/2018	2	$77,263.20	$77,263.20
121000	Z - Management Costs	XMUEN04- Cat Z-Management Cost	Management Costs	Obligated	9/21/2021	1	$3,863.16	$3,863.16
								$302,467.86

Key
Category A&B 100%
Category E - 90% (minus any applicable insurance proceeds)
Check Received by GERS
Obligated - Approved by FEMA and VITEMA Received the Funds - Check to be issued to Agency

Asiah Clendinen Gumbs
Alternate PA Coordinator
FEMA Organization Admin

EXHIBIT C

Method of Contact
April 2021

Category	STT	STX	Total
E-mail	70	11	81
Telephone	39	58	97
Walk-in	0	0	0
Mail	438	26	464
Fax	0	0	0
Total	**547**	**95**	**642**

Contacts By Island
April 2021

Island	Count	Percent
St. Thomas	547	85%
St. Croix	95	15%
Total	**642**	**100%**

Contacts By Weekday
April 2021

Day	STT	STX	Total
Monday	107	22	129
Tuesday	135	35	170
Wednesday	110	8	118
Thursday	130	16	146
Friday	65	14	79
Total	**547**	**95**	**642**

Handle Time By Employee
April 2021

Employee	Count	Time	Handle
Alena	127	33.00	15.59
Atoya	203	51.50	15.22
Ernestina	95	26.00	16.42
Lynesha	109	27.25	15.00
Robert	108	31.75	16.04
Total	**642**	**169.50**	**15.84**

Callbacks By Employee YTD
April 2021

Employee	Assigned	Closed	Open
Alena	18	11	7
Atoya	26	13	13
Ernestina	25	19	6
Lynesha	0	0	0
Total	**69**	**43**	**26**

Contact Type By Island
April 2021

Type	STT	STX	Total
1099-R/1099-INT	104	5	109
Callback - 1099-R/1099-INT	66		66
Inquiries (Various)	52	12	64
Annual Statements/SCP Requests	45		45
Transferred Call	27	15	42
Refund of Contributions	32	8	40
Direct Deposit Update	30	1	31
Change of Address	23	7	30
Reset Password	24	6	30
W4-P	20	7	27
Check Stubs Printed	13	3	16
Death Notification	9	7	16
Verifications	14	2	16
Status Update	13	1	14
Change of Beneficiary	6	5	11
Check/Document Pick-Up/Drop Off	9	2	11
Health Insurance/Personnel	8	2	10
Power of Attorney/Guardianship	10		10
Follow-up (Various)	9		9
Contribution Detail Report	1	7	8
Life Certificate	4		4
Payroll Deduction Authorization	3	1	4
Affidavit of Lost Check	3		3
Correspondences/Retirement Letters	3		3
Membership Record	2	1	3
NOPAS	2	1	3
Workshop Sign-up/Letters	3		3
Erroneous Refund	2		2
Member Self-Service Registration	1	1	2
Name Change	2		2
DD 214/Military Forms/Inquiries	2		2
Demographic Update		1	1
Disability Documents/Application	1		1
Garnishment/Tax Levy Notices	1		1
Other - Personal Touch Insurance	1		1
Inter-department Assistance	1		1
Payments - (Various)	1		1
Total	**547**	**95**	**642**

Updates

As requested by Mr. Nibbs, Mrs. Clendinen Gumbs provided to the Trustees an update on FEMA projects. It was reported that walk-throughs were conducted with FEMA representatives. The System have two pending projects without an application of a drawdown request which is the Havensight Mall Retail buildings and Warehouses. The System completed a total of 13 projects and is working with VITEMA and FEMA to drawdown additional funds. So far, GERS has received over $1M.

The Department of Justice objection to a one-year lease was caused by their intentions to invest in improving their interiors and negotiation is ongoing.

Extensive research was conducted in regard to the St. Thomas Complex building walk-throughs and findings will be submitted to the Board. The St. Thomas Complex building electricity configuration project was visited before by past GERS Board who considered it a cost-prohibited item. Chairman Bowry recommended to the Trustees, if necessary, to revisit this topic in a Budget Committee meeting, but to consider the current market value of the building.

Because of the possibility of losing a quorum, Chairman Bowry presented to the Board a recommendation to amend the May 27, 2021 and proceed with going into Executive Session and the Board agreed.

A motion was made by Trustee Smith and seconded by Trustee Dorsey to reorder the agenda to go into executive session. The motion passed with 4 yes (Dorsey, Liger, Smith, and Bowry); and 2 absent (Callwood and McDonald).

A motion was made by Trustee Smith and seconded by Trustee Dorsey 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.** The motion passed with 4 yes (Dorsey, Liger, Smith, and Bowry); and 2 absent (Callwood and McDonald).

Executive Session

The meeting ended because of lack of a quorum at 1:09pm.

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

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

Legislature of the Virgin Islands

#3022 Estate Golden Rock, Christiansted, VI 00820

THE HONORABLE
KURT A. VIALET
SENATOR
34TH LEGISLATURE

COMMITTEE CHAIRMAN:

Finance

SUBCOMMITTEE CHAIRMAN:

GERS Restructuring, Solvency, and Economic Development

COMMITTEE VICE-CHAIRMAN:

Disaster Recovery and Infrastructure

COMMITTEE MEMBER:

Health, Hospitals & Human Services

Education & Workforce Development

Housing, Transportation & Telecommunications

June 8, 2021

VIA E- MAIL

Austin L. Nibbs
Administrator
Government Employees Retirement System
3438 Kronprindsens Gade
GERS Complex, Ste. 1
St. Thomas, VI 00820
anibbscpa@usvigers.com

Re: Committee on Finance Considers Bills on Thursday, June 24, 2021

Dear Mr. Nibbs:

The Committee on Finance cordially invites you to appear and testify on **Thursday, June 24, 2021 in the Frits E. Lawaetz Legislative Chamber, St. Croix, USVI at 9:30 AM** to consider the following:

BN 34-0067 "An Act amending title 33, Subtitle L Part 1, chapter 3 of the Virgin Islands Code to increase the Hotel room tax by 2.5% and remit 5% of all monies collected to the Virgin Islands Government Employees Retirement System and for other purposes"
Proposed by Senator Dwayne M. DeGraff

The Committee will meet to receive testimony as we discuss the purpose of the above referenced bill. Your testimony should include all pertinent data, and expert opinion as it pertains to the subject matter. Please provide written testimony **no later than Tuesday, June 15, 2021**. In addition, please include applicable information regarding the following:

- Support or opposition of the proposed legislation
- Advantages and/or disadvantages to passing the bill
- Economic impact (economic analysis) of the proposed legislation
- Recommendations to the bill

Thank you in advance for your time and cooperation in this matter. Please contact Shayla Joseph at (340) 712-2303 or senatorvialet@legvi.org to confirm your attendance, submit testimonies and address questions or concerns.

Sincerely,

Kurt Vialet
Chairman
Committee on Finance
34th Legislature of the Virgin Islands

KV/sj
Enclosure (1)

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

ADMINISTRATOR'S REPORT

Regular Board Meeting

June 17, 2021

ADMINISTRATOR'S REPORT

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Meetings, Presentations, and Appearances

May 25th	Attended presentation by marketing consultant at Havensight Mall Oversight Committee meeting.
May 26th	Attended the Community Business Form – Part 3 presented by the Office of the Governor.
June 4th	Attended the Municipal Finance presentation hosted by VI Public Finance Authority.
June 9th	One-on-one meetings with Havensight Mall tenants.
June 10th	Site inspection with owner's representative of the newly erected metal buildings and the fencing and gates at the Havensight Mall.
June 11th	Attended the USVI Hotel and Tourism Association Annual General Meeting. Havensight Mall is a new member. Governor Albert Bryan was the guest speaker.

Member Services

Retirement Applications - as of June 15, 2021

	2015	2016	2017	2018	2019	2020	2021	Total
STX	147	111	118	178	143	114	40	
STT	147	164	127	224	172	123	57	
Total	294	275	245	402	315	237	97	
Processed	293	274	245	401	313	203	18	
Remaining	1	1	0	1	2	34	79	118*
	99%	*99%*	*100%*	*99%*	*99%*	*86%*	*19%*	

* Includes the central government and autonomous agencies.

Disability Life Certificates – As of May 30, 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.)

Follow Up
Benefits were suspended with the May 15, 2021 payroll for the 28 disability retirees benefits were suspended because they did not return a life certificate.

14 – U.S. Mainland
14 – Virgin Islands
28 Pending Responses

Status Update: We received 15 life certificates and those retirees were reinstated on the Payroll for June 15, 2021. 13 life certificates are still pending.

Reconciliation and Control - Contribution Processing

October 1, 2020 – May 31, 2021

Refunds

	No. Cases Completed	Total Amount	No. Cases Pending
Regular	227	$4,027,413.19	63
Erroneous	14	35,154.70	0
Employer Share	3	4,209.09	0
Overpayment	137	350,796.21	8
Total	381	$4,417,573.19	71

October 1, 2020 – May 31, 2021

Death Benefits

Types	No. Completed	Amount	No. of Cases Pending
Active	26	$1,007,219.04	49
Retired	8	470,182.25	25
Total	34	$ 1477,401.29	74

Accounting Department

Annuity Payments

No. of retirees as of June 15, 2021, payroll: **8,698**

Cumulative dollar paid out from October 1, 2020 – June 15, 2021

700	Pensioners	$4,863.90		
702	Service Retirement Annuities	157,029,717.31		
703	Survivors' Annuities	1,014,073.10		
704	Duty-Connected Death Annuities	4,696.20		
705	Duty-Connected Disability Annuities	1,956,845.94		
706	Non-Duty Disability Annuities	993,073.11		
	Totals		160,998,405.66	w/o Pensioners
			161,003,269.56	W/Pensioners

Number of retirees added to payroll from October 1, 2020 – June 15, 2021. **237**

Number of retirees added to the payroll for the June 15, 2021, pay date. **29**

Number of retirees expected to be placed on payroll for the June 30, 2021, pay date**: 7.**

Number of retirees deleted from payroll from October 1, 2020, through June 15, 2021: **238.**

Note: The Gross Retiree Payroll for June 15, 2021 payroll is $10,805,700.56.

Active Employees - May 2021 – 8,792

Member Loans Portfolio

PERSONAL LOANS	DATE		
	5/31/2021	STT	STX
Active Personal Loans	1573	833	740
Retiree Personal Loans	785	449	336
Auto Loans	0	0	0
	2358	1282	1076
MORTGAGES			
Construction/Home Improvement	21	11	10
Land	30	24	6
Purchase/Refinance	35	24	11
Totals	86	59	27
TOTAL LOANS & MORTGAGES	2,444	1,341	1,103

TOTAL OUTSTANDING			
May 2021	Total	STT	STX
Active PL -	$ 14,840,291.32	$ 8,278,924.00	$ 6,372,769.22
Retiree PL -	8,732,535.28	4,913,071.72	3,746,562.43
Auto PL -	-	-	-
Purchase/Refi -	1,836,387.42	1,249,601.87	586,785.55
Construction -	2,163,811.96	1,286,922.80	876,889.16
Land Loans -	592,173.59	507,635.35	56,352.75
GRAND TOTAL	$ 28,165,199.57	$ 16,236,155.74	$ 11,639,359.11

Facility Management

St. Croix Office Complex

- All Projects have been completed.

St. Thomas Office Complex

Water Pumps and Tank

- Annual maintenance of UV Light and Filters completed.

Generator

- Annual service completed.

Hip Roof Replacement

- Pre-Bid Conference held on June 8, 2021. Three (3) potential bidders were in attendance.

Air Conditioner Project

- Dismantled old air handlers and install new ones at 2nd and 3rd floor South scheduled for the week of June 28, 2021.

Next Steps in Air Conditioner Project

- Connect VAVs.
- Install Central Air Control System
- Redesign as necessary (diffusers and returns) to ensure proper airflow throughout the building.
- Anticipated project completion date – New Date August 2021

Drywall Project

Removal of old, water damaged drywall under northern roof on 3rd Floor, walls throughout the building with old fire equipment/ holes.
Project started June 4, 2021. Anticipated completion July 16, 2021.

OTHER ONGOING CAPITAL PROJECTS

- **Lobby/Atrium/ Restroom Renovations/ ADA Compliance –** Architect Contract signed, and the GERS received designs/drawings.
- **Transformer Replacements**
- **Fencing Repair and Construction at GERS Main Building**
  - New Columns/Fence/Gate around Chiller in rear uncovered parking lot and around the campus. Welding Repair, Painting

Appraisals

Completed for the St. Thomas and St. Croix complexes.

Rental and Electricity Collections – Exhibit A

	May 2021	Total FYTD	Arrearages
Rental	$56,807.92	$507,216.32	$112,677.72
Electric	25,414.77	401,432.43	88,377.72
Total	$82,222.69	$908,648.75	$201,055.44

Operations

Leases

Division of Personnel
Update. Awaiting transmittal to DOJ and Governor.

Department of Justice
Update. Notice to Vacate Premises sent to DOJ for $257K in back rent and electricity. DOJ AG, Asst. AG, and CFO made contact and notified the GERS that Property and Procurement Commissioner approved rent and electricity (copies of approval received) for March, April, May, and June of 2021 to be entered for payment in the ERP. To date, the GERS is not in receipt of those monies.

Casino Control Commission
Update. Executive Director Marvin Pickering has advised that the finalization of the lease in under consideration will respond with 2-3 weeks.

Strategic Planning and Organization Development

April 12, 2021 - Forwarded documents and reports to the UVI Strategic Team at UVI.
UVI Strategic Team met with GERS Staff Mandatory - Friday, February 19, 2021 - 10 a.m.
UVI Strategic Team met GERS Board of Trustees - Tuesday, February 23, 2021, - 5:30 p.m.
Community at Large - Thursday, March 16, 2021, 6 p.m.
Business Community - Thursday, March 18, 2021, 6 p.m.
Retired Members - Thursday, March 23, 2021, 6 p.m.
Active Members - Tuesday, March 25, 2021, 6 p.m.
UPDATE. Meeting with the Senate held on June 1, 2021, from 12:30 p.m. to 2:00 p.m.
Meeting with the Governor and the Financial Team still pending.

FEMA/INSURANCE:

GERS responded to FEMA to continue the process to obtain the Warehouse 428 monies. The GERS can withdraw at any time.

Other

BOARD RETREAT – Via Zoom
July 7th, 8th, and 9th.

Tentative Agenda
Day One
Investment Advisor (Meketa Investment Group)
Actuary (Segal)
Auditor (Bert Smith & Co.)

Day Two
Governance and Ethics
Strategic Plan 2021-2026 (UVI)
Pending Legislations and Update on Legislative Subcommittee
Senior Management Presentations

Day Three
Continuation – Senior Management Presentations
Wrap up and Action Items

NEW TRUSTEE ORIENTATION

EXHIBIT A

	May 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	$ -		$ 185,315.00	$ 287,308.48	$ 472,623.48	$ 111,189.00	$ 88,377.72
Division of Personnel	26,378.88	23,007.79	92,326.08	89,486.30	181,812.38	-	-
FirstBank	290.20	80.63	2,320.40	717.62	3,038.02	-	-
Opthalmology Consultants, LLC	6,365.40	-	50,923.20	-	50,923.20	-	-
Plessen Eye, LLC_ADMIN	8,018.56	-	40,092.80	-	40,092.80	-	-
Plessen Eye, LLC_ADMIN STORAGE	1,160.00	-	5,220.00	-	5,220.00	-	-
Plessen Eye, LLC_ASC	8,784.88	-	35,139.52	-	35,139.52	-	-
ResCare (JobCorps)	-	501.19	13,206.32	5,132.32	18,338.64	1,488.72	
VI Housing Finance Authority	5,810.00	1,825.16	40,670.00	18,787.71	59,457.71	-	-
VI Casino	-	-	42,003.00	-	42,003.00	-	-
Total income Received	**$ 56,807.92**	**25,414.77**	**507,216.32**	**401,432.43**	**908,648.75**	**112,677.72**	**88,377.72**

THE GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

SCHEDULE OF RECEIPTS & DISBURSEMENTS

PERIOD ENDING May 31, 2021

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

	May-21	May-20	YTD Fiscal 2021	YTD Fiscal 2020
Receipts from collections				
Loan Repayment	$ 1,165,097	$ 1,109,845	$ 9,545,776	$ 13,163,299
Rent from Tenants/Utilities	$ 51,580	$ 54,439	$ 812,745	$ 912,139
Employer Retirement Contributions	$ 7,770,251	$ 8,343,879	$ 63,527,396	$ 61,609,546
Employee Retirement Contributions	$ 4,187,949	$ 4,168,128	$ 32,682,512	$ 33,204,324
Parking Facility	$ 660	$ 120	$ 7,160	$ 5,690
Miscellaneous	$ 340,686	$ 299,633	$ 5,485,240	$ 11,448,334
Total Collections	**$ 13,516,223**	**$ 13,976,045**	**$ 112,060,829**	**$ 120,343,331**
Disbursements				
Annuity Payments	$ 22,674,122	$ 21,623,481	$ 175,827,087	$ 175,774,602
Administrative Expenses	$ 1,142,459	$ 1,200,291	$ 9,780,436	$ 10,566,508
Personal Loans	$ 15,314	$ 241	$ 145,371	$ 198,164
Mortgage Loans	$ 12,718	$ 5,584	$ 111,464	$ 162,757
Retiree Loans	$ 1,612	$ -	$ 6,413	$ 20,796
Auto Loans	$ -	$ -	$ -	$ 12
Refund of Contributions	$ 877,710	$ 167,424	$ 6,024,288	$ 6,401,913
Total Disbursements	**$ 24,723,935**	**$ 22,997,020**	**$ 191,895,059**	**$ 193,124,753**
Net Cash Surplus/(Net Cash Deficit)	**$ (11,207,712)**	**$ (9,020,975)**	**$ (79,834,230)**	**$ (72,781,422)**

Synopsis

For the month of May 2021 GERS collected $13,516,223 which is 55% of the $24,723,935 needed for expenses. This generated a shortfall within the month of 45% or $11,207,712.

Year to date collection was approximately 7% or $8,282,502 less than the same period in Fiscal Year 2020. Year to date expenditure was reduced by approximately 1% or $1,229,694 over the same period of Fiscal Year 2020.

Year to date administrarive expenditure was approximately 59% of budget.

Due to the year to date shortfall of $79,834,230, GERS withdrew $74,000,000 from the investment portfolio to supplement the inflow of cash, and ensure that the obligations of the Agency are met.

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

ADMINISTRATIVE EXPENSES FISCAL YEAR 2021

	10/31/20	11/30/20	12/31/20	01/31/21	02/28/21	03/31/21	04/30/21	05/31/21	06/30/21	07/31/21	08/31/21	09/30/21	Total
Personnel Services	511,694	391,307	586,873	387,171	393,193	530,600	384,709	414,176					3,599,723
Fringe Benefits	160,384	144,908	162,918	190,919	191,529	202,386	190,092	199,537					1,442,673
Supplies	11,467	7,325	9,574	12,986	5,911	9,104	2,189	12,847					71,403
Other Services and Charges	245,461	333,333	499,554	215,941	128,785	454,750	343,503	225,629					2,446,955
Utilities	19,869	91,909	157,692	827	86,111	81,453	133,593	27,874					599,329
Capital Outlay	383,287	48,199	3,432	1,068	524,883	9,092	387,997	262,396					1,620,353
Subtotal	**1,332,163**	**1,016,980**	**1,420,042**	**808,912**	**1,330,411**	**1,287,385**	**1,442,083**	**1,142,459**	**-**	**-**	**-**	**-**	**9,780,436**
Reimbursement Electricity	(777)	-	(53,925)	(8,341)	(208)	(150,740)	(71,952)	(501)	-	-	-	-	(286,445)
Total	**$ 1,331,385**	**$ 1,016,980**	**$ 1,366,117**	**$ 800,571**	**$ 1,330,203**	**$ 1,136,645**	**$ 1,370,131**	**$ 1,141,958**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 9,493,990**

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

Supplemental Information May 2021

Loan Disbursements:

Personal Loans		
Refund	15,314	**15,314**
Mortgage Loans		
Insurance	12,718	**12,718**
Retiree Loans		
Refund	1,612	**1,612**
TOTAL		**29,644**

Miscellaneous:

Lost Investment fee/Delinquent fee (Contributions)	1,494
Building Security Cards	10
Annuities (deceased pensioners checks)	15,391
Cost of Living Bonuses	322,353
Refund (Maintenance & Repair)	487
Structured Service Fees	950
TOTAL	**340,686**

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

	May-21	May-20	YTD Fiscal 2021	YTD Fiscal 2020
Receipts from collections				
*Rents from Havensight Tenants - net	$ 119,519	$ 61,885	$ 1,215,507	$ 2,152,441
Miscellaneous	$ -	$ -	$ 428,120	$ -
Total Collections	**$ 119,519**	**$ 61,885**	**$ 1,643,627**	**$ 2,152,441**
Disbursements				
Personnel Services	$ 78,092	$ -	$ 716,303	$ -
Fringe Benefits	$ 41,198	$ -	$ 296,717	$ -
Supplies	$ 9,212	$ -	$ 70,179	$ -
Other Services and Charges	$ 7,681	$ 23,113	$ 75,784	$ 26,210
Utilities	$ 811	$ 3,251	$ 30,591	$ 3,341
Capital Project	$ 213,956	$ 108,030	$ 1,479,367	$ 108,030
Allotments to WICO/Management fees	$ -	$ 75,151	$ -	$ 145,319
Total Disbursements	$ 350,949	$ 75,151	$ 2,668,942	$ 282,900
Net Cash Surplus/(Net Cash Deficit)	**$ (231,430)**	**$ (13,266)**	**$ (1,025,314)**	**$ 1,869,541**

Synopsis

For the month of May 2021 Havensight Mall collected 34% of what is needed to cover expenses totaling $350,949 of which $213,956 was capital outlay.

Year to date collection of $1,643,627 was approximately 76% of last year's collection of $2,152,441 (corrected for last month)

Year to date expenditure of $2,668,942 is approximately 51% of the budgeted amount for the fiscal year.

GERS OF USVI
May 31, 2021

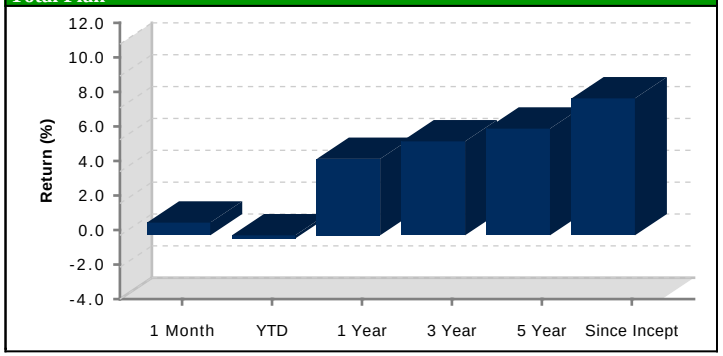
Monthly Performance & Update

Total Plan Performance
- Total Plan returned 0.8% for the month
- Total Fixed Income's 0.2% return underperfomed its benchmark by 10 bps
- Total Alternative's 4.0% return outperformed its benchmark by 310 bps

Notable Fund Performance
- Pugh Capital returned 0.4% and outperformed its benchmark by 3 bps
- US Debt Index returned 0.3%
- Mesirow Fund IV & V returned 23%

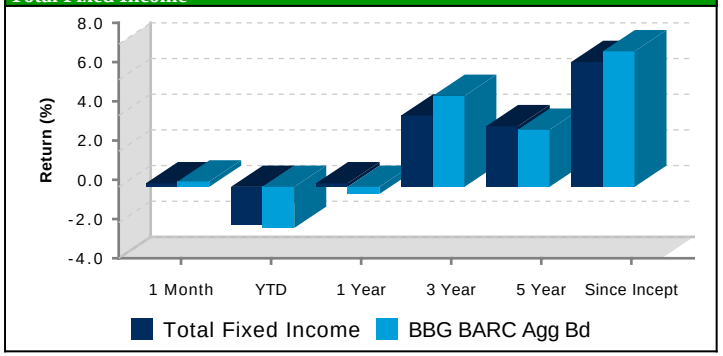
Compliance Updates
- No updates for the month

Total Plan



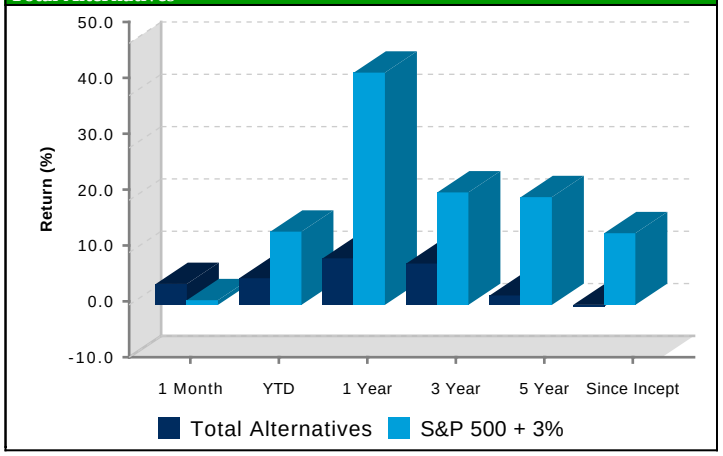
	1 Month	YTD	1 Year	3 Year	5 Year	Since Incept
Total Plan	0.8	-0.2	4.8	5.9	6.7	8.6

Total Fixed Income



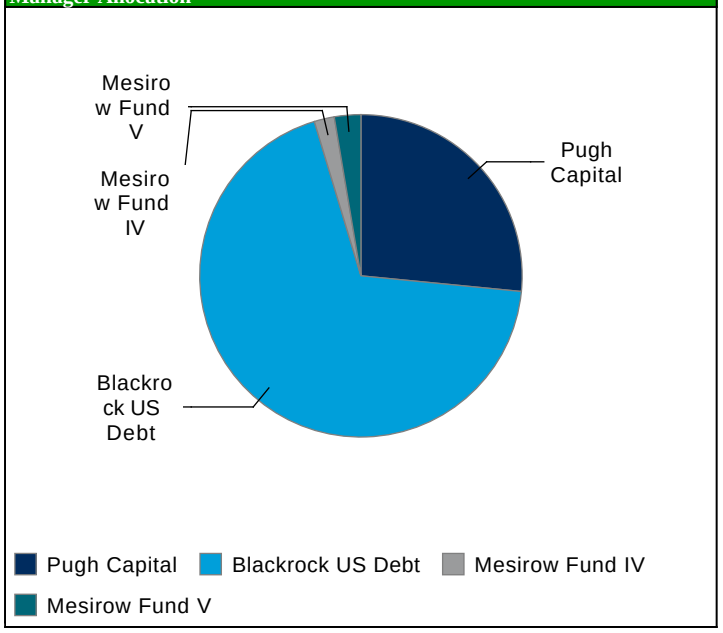
	1 Month	YTD	1 Year	3 Year	5 Year	Since Incept
Total Fixed Income	0.2	-2.1	0.2	4.0	3.4	7.0
BBG BARC Agg Bd	0.3	-2.3	-0.4	5.1	3.2	7.6
Excess	-0.1	0.2	0.6	-1.0	0.1	-0.6

Total Alternatives



	1 Month	YTD	1 Year	3 Year	5 Year	Since Incept
Total Alternatives	4.0	5.1	8.9	7.9	1.8	-0.3
S&P 500 + 3%	0.9	14.0	44.4	21.5	20.6	13.7
Excess	3.1	-8.8	-35.5	-13.6	-18.8	-14.0

Manager Allocation



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

GERS OF USVI
May 31, 2021

Monthly Cash Flow Update

Cash Flow
- Ended month at approximately $460 million*
- No funds raised in the month of May

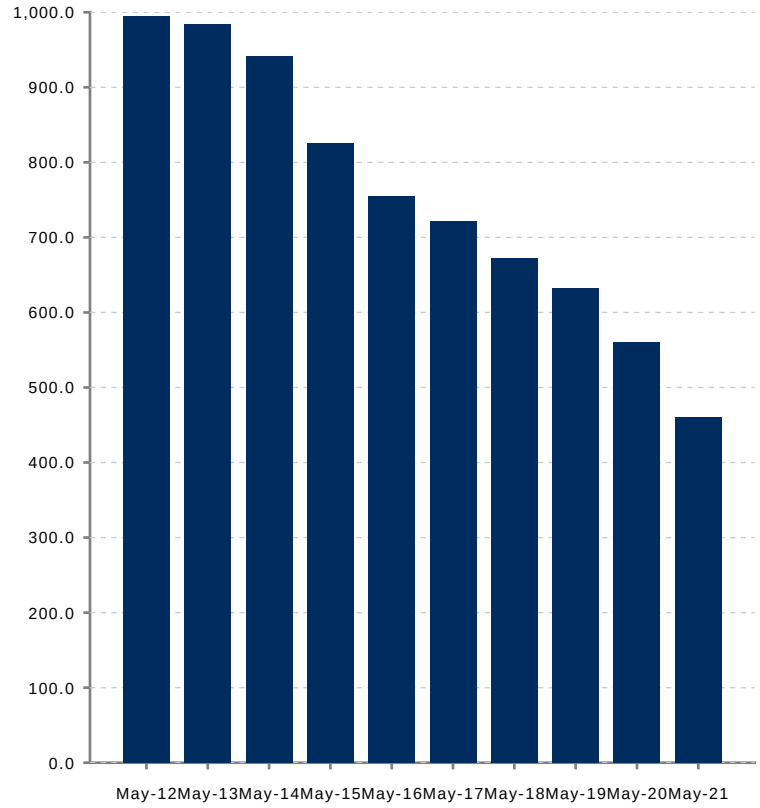
Investment Management/Custodian/Consulting Fees
- $15 thousand MTD
  - Custodian bank $15 thousand
- $134 thousand Calendar YTD
  - Investment management $88 thousand
  - Investment consultant $31 thousand
  - Custodian bank $15 thousand
- $239 thousand FYTD
  - Investment management $176 thousand
  - Investment consultant $31 thousand
  - Custodian bank $32 thousand

Securities Lending
- MTD earnings $1,500
- YTD earnings $5,000
- FYTD earnings $6,000

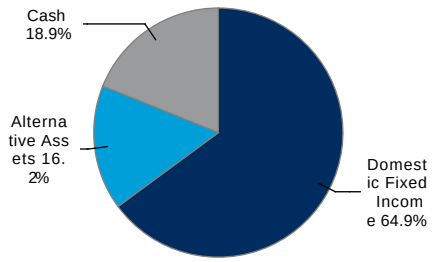
Record of Asset Growth

	One Month	Year to Date	One Year
Total Plan			
Beginning Market Value	471,267,393	510,450,368	559,993,535
Net Cash Flow	-15,015,118	-49,103,012	-124,343,668
Income	288,447	1,799,056	4,529,215
Gain/Loss	3,597,026	-3,008,664	19,958,667
Ending Market Value	460,137,748	460,137,748	460,137,748

Net Asset Value over Time ($000)



Asset Allocation



Allocation Market Values

	Ending Market Value in Millions
Domestic Fixed Income	298.46
Alternative Assets	74.55
Cash	87.11

* Excludes: Members Loan Program - (MV) $28 million, STT Office Complex - (MV) $8 million, and STX Office Complex - (MV) $3.3 million.

REGULAR

SESSION

COMMITTEE ON FINANCE

BILL NO. 34-0067

Thirty-Fourth Legislature of the Virgin Islands

May 28, 2021

An Act amending title 33, Subtitle I, Part 1, chapter 3 of the Virgin Islands Code to increase the Hotel room tax by 2.5% and remit 5% of all monies collected to the Virgin Islands Government Employees Retirement System and for other purposes

PROPOSED BY: Senator Dwayne M. DeGraff

WHEREAS, despite its slight decrease in the inception of the COVID-19 pandemic, the number of visitors to the Territory is steadily on the rise; and

WHEREAS, the tourism industry remains one of the most significant sources of revenue in the Territory; and

WHEREAS, the Third Circuit Court of Appeals in its ruling on the timeshare tax explained that it is not "inherently discriminatory" for the territory to shift its tax burden to non-resident consumers; and

WHEREAS, the Government Employees Retirement System (GERS) on the other hand is on the brink of insolvency and in need of financing; and

WHEREAS; the impact to our economy will be detrimental if GERS goes insolvent; Now, Therefore,

1 ***Be it enacted by the Legislature of the Virgin Islands:***

2 **SECTION 1.** Title 33, Subtitle 1, Part 1, chapter 3, section 54 of the Virgin Islands Code
3 is amended as follows:

4 (1) In subsection (b) by striking "12.5" and inserting "15";

5 (2) In subsection (e) a new paragraph (E) is inserted to read as follows:

6 "(E) Not less than five percent of the monies collected under subsection (b) must be
7 deposited into the GERS Intervention Fund on a quarterly basis.

8 **SECTION 2.** Title 33, subtitle 3 of the Virgin Islands Code is amended by adding an
9 appropriately numbered section to read as follows:

10 **§_____. GERS Intervention Fund**

11 (a) There is established in the Treasury of the Virgin Islands a special fund to be
12 designated the "GERS Intervention Fund". The Commissioner of Finance shall provide for the
13 administration of this Fund as a separate and distinct fund in the Treasury, and no amounts
14 therein shall be available for expenditures or disbursement except as provided in this section.
15 This Fund shall consist of all sums appropriated thereto from time to time by the Legislature
16 and five percent of all of the monies collected pursuant to Title 33, Subtitle 1, Part 1, chapter 3
17 section 54, subsection (b) of the Virgin Islands Code.

18 (b) Monies shall be disbursed from the Fund by the Commissioner of Finance, upon
19 authorization of the Director of the Government Employees Retirement System, for the purpose
20 of making retirement annuity payments.

21 (c) Notwithstanding title 2, chapter 2, section 26, subsection (c)(3) the monies
22 collected under subsection (a) shall remain available until expended.

23 **SECTION 3.** Title 29, chapter 23, section 1312, subsection (g) of the Virgin Islands
24 Code is amended by striking "7.5" and inserting "5"

BILL SUMMARY

This bill amends title 33, subtitle 1, part 1, chapter 3, section 54 of the Virgin Islands Code to provide an increase in the hotel occupancy tax to be covered over to the Government Employees Retirement System to be used for annuity payments.

Section 2 of the bill creates a fund titled "GERS Intervention Fund where the monies collected pursuant to the increase in the hotel occupancy tax will be deposited and used by the Director of the GERS.

Section 3 of the bill amends title 29, chapter 23, section 1312 of the Hotel Development Program which decreases the Economic Recovery Fee from 7.5% to 5%.

BR21-0335/March 30, 2021/AA

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

RESOLUTION No. 9- 2021

To honor and commend retiring trustees for their service to the Government Employees Retirement System

AT THE REGULAR MEETING of the Board of Trustees of the Government Employees' Retirement System of the Virgin Islands ("GERS") held via Zoom on May 27, 2021, Mr. Nellon L. Bowry, Chairman of the Board, presided. Trustees present were: Mr. Nellon L. Bowry, Mr. Vincent G. Liger, Ms. Leona E. Smith and Mr. Andre T. Dorsey. A quorum was present and the resolution passed upon a motion and adopted by a majority vote of the members present.

WITNESSETH:

WHEREAS, pursuant to 3 V.I.C. § 715, trustees are appointed or elected, for five-year terms with the responsibility for the proper operation of the System and for making effective the provisions of Chapters 27 and 28A of Title 3 of the Virgin Islands Code; and

WHEREAS, trustees are required to commit substantial time and energy in the performance of their duties to include attendance at monthly board meetings, committee meetings, special board meetings and to review and digest voluminous documents and reports; and

WHEREAS, trustees are required to attend training and meetings with consultants and other technical and legal staff; and

WHEREAS, trustees continue to serve and to give their best effort and diligence under difficult circumstances which may be characterized as a "thankless" job; and

WHEREAS, as trustees' terms come to an end, it is appropriate to recognize and commend them for their years of faithful and diligent service.

NOW THEREFORE, upon a motion made by _____ and seconded by _____; and adopted by a majority vote; it is hereby

RESOLVED, that trustees whose terms have ended shall be appreciated, honored and commended, for their service to the System; and it is further

RESOLVED, that the Chairman and Administrator shall prepare an appropriate token of appreciation such as a plaque or other tangible evidence of appreciation; and it is further

RESOLVED, that the Administrator and Chairman are authorized to execute any and all instruments and contracts to facilitate the intent of this Resolution.

IN WITNESS WHEREOF, I have signed this Resolution as of the _____ day of _____, 2021.

By: _____
Mr. Nellon L. Bowry
Chairman

ATTEST:

By:_____
Austin L. Nibbs, CPA, CGMA
Secretary

EXECUTIVE

SESSION