



ISSUE 30 | OCTOBER 2016

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### SUMMIT OVERVIEW

GERS hosted an informative two-day Summit on September 19 and 20, 2016. Meetings were held via VTC on St. Thomas and St. Croix to allow members to participate, notwithstanding location.

Day 1 brought together, legislators, semi-autonomous agency plan sponsors and GERS Trustees and management. Day 2 saw HR Officers, union representatives, the local AARP representative, St. Thomas and St. Croix retiree organization representatives and others coming together.

The summit which aimed to shed light on the current financial status of the GERS, featured presentations by the

System's Investment Adviser and Actuary. The highlight being the presentation of the details of the 2015 Actuarial Report and discussions of new developments that would have a significant impact on the System.

The main purpose for hosting these meetings was to bring stakeholders together to find effective and realistic solutions towards the financial strengthening and growth of the GERS.

To view the presentations made by the Actuary and Adviser, visit GERS website [www.usvigers.com](http://www.usvigers.com)



### LOAN DEPARTMENT UPDATES

#### Insurance Carrier Change

All loans are required, by law, to have a credit life insurance. When the loan is booked, there is a small portion of each payment that goes directly into an account that pays the premium for the credit life.

As of June 1, 2016, GERS' carrier was changed from TransAmerica, to Southern Financial Life Insurance Company. The change occurred because TransAmerica exited the credit life market.

This change will not affect members with active loans in any way. Please note, there is no action required on the part of the member. As per the usual procedures, all claims should be referred to loan department personnel for in-house processing. Thereafter, the claim will be forwarded to Southern Financial Life Insurance Company for payment.

#### Understanding your Property Tax Payments

GERS collects payments from its  
(continued on pg. 2)



members who have a mortgage loan with the System. These monies are placed in what is called an escrow account, specifically set aside for the payment of hazard insurance and property taxes.

For some years the Tax Assessor’s office, who is responsible for issuing tax bills, were behind in their collections. Notwithstanding, the fact that GERS collects property taxes on a calendar year basis (January 1 to December 31), was not an issue when bills became due in June. However, now that the Tax Assessor’s office is up to date in their billing, GERS will have to adjust the way property taxes are collected from mortgage holders to ensure that going forward, the full amount is ‘on-hand’ when the tax bills are issued in June of every year.

The shift will only affect 2017 tax collections because once it goes into effect, GERS will shift their payment schedule to match that of the Tax Assessor’s office. Should there be any other changes or adjustments as to the way in which taxes are collected, members will be advised.

**.....GERS RESOLUTIONS.....**

The following major resolutions affecting the Havensight Mall passed during calendar year 2016.

- Request a comprehensive development plan for Havensight Mall - The Board of Trustees

expressed that it has no objections to the concept of the Patrón project for the development and construction of the Pyrat Distillery and Visitation Center, with the understanding that all concerns raised by the Board will be addressed by Patrón. The resolution also stated that WICO shall report to the GERS Administrator and present a comprehensive plan for the development of the Havensight Mall and any proposed/planned development of property owned by WICO.

- To Approve Phase I Renovation plans for Havensight Mall at a cost not to exceed \$1.6 million - The Board is desirous of making much needed improvements to the Havensight Mall, but the proposal submitted by WICO far exceeds the funds the Board is willing to invest in the Havensight Mall at this time. Phase I of the Renovation Project was approved, not to exceed \$1.6 million.



Other major resolution:

- To accept Passport Cards as a form of identification when doing business

with GERS, such as applying for service retirement annuity - GERS begun accepting passport cards as another form of identification from persons conducting business with GERS and applying for a service retirement annuity.

**JP MORGAN LITIGATION.....**

In April 2010, the Government Employees’ Retirement System was the initial Court-appointed lead plaintiff in the JP Morgan MBS (mortgage-backed securities) class action. This action sought to recover an estimated \$1.65 million that was lost of the System’s net investment of \$3.3 million. However, in November 2011, USVI GERS filed a motion with the Court to withdraw as lead plaintiff. This was done because USVI GERS had sold its J.P. Morgan securities for the value of the stock and a gain, in excess of the \$3.3 million that was initially invested.

This meant that USVI GERS no longer had standing to pursue the claims for the proposed class against defendants because it had not suffered any loss as a result of its purchases. In May 2012, the Court granted USVI GERS’s motion to withdraw as lead plaintiff; consequently, rendering the System ineligible to recover damages in the case as USVI GERS sold its securities for a gain.

**COMING SOON...GERS AMBASSADOR PROGRAM!!!**

This is a great opportunity for stakeholders to help build the GERS brand by educating and empowering our membership and the community about all things GERS! Membership opportunities will be limited, so check our website, social media channels and listen to our GERS Radio program for our official announcement.



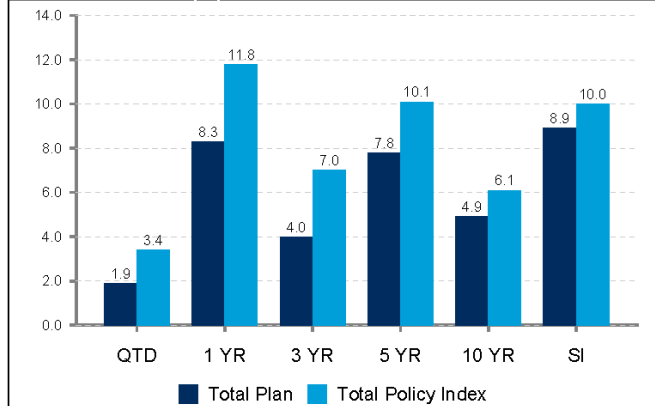
Our goal is to build a stronger, more informed community and we can’t wait to have you on board!

# QUARTER ENDING SEPTEMBER 30, 2016 UPDATE

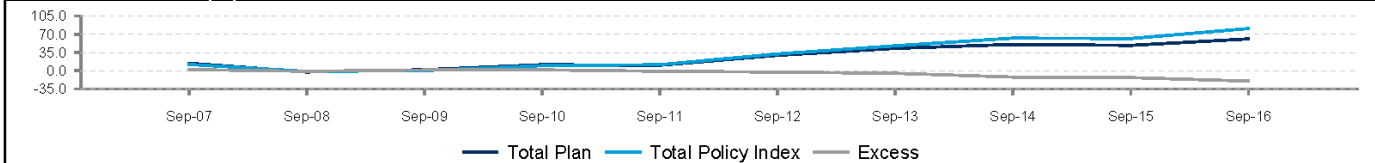
## Record of Asset Growth

|                        | One Quarter | Year to Date | One Year    |
|------------------------|-------------|--------------|-------------|
| Total Plan             |             |              |             |
| Beginning Market Value | 763,228,376 | 751,023,715  | 779,654,034 |
| Net Cash Flow*         | -15,616,233 | -31,896,920  | -79,055,200 |
| Income                 | 412,009     | 7,597,122    | 9,329,307   |
| Gain/Loss              | 14,145,840  | 35,446,076   | 52,241,851  |
| Ending Market Value**  | 762,169,993 | 762,169,993  | 762,169,993 |

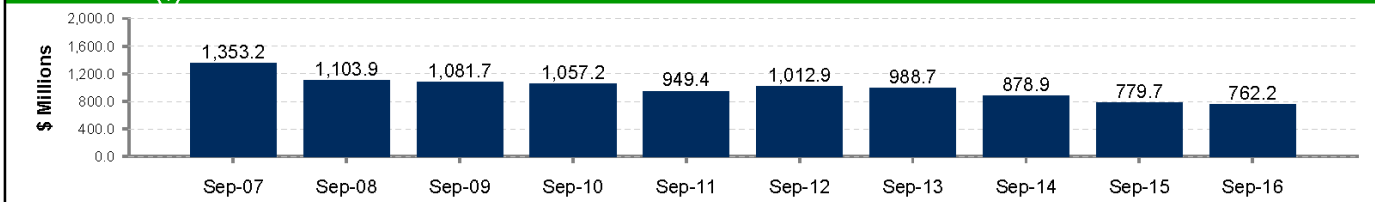
## Net Performance (%)



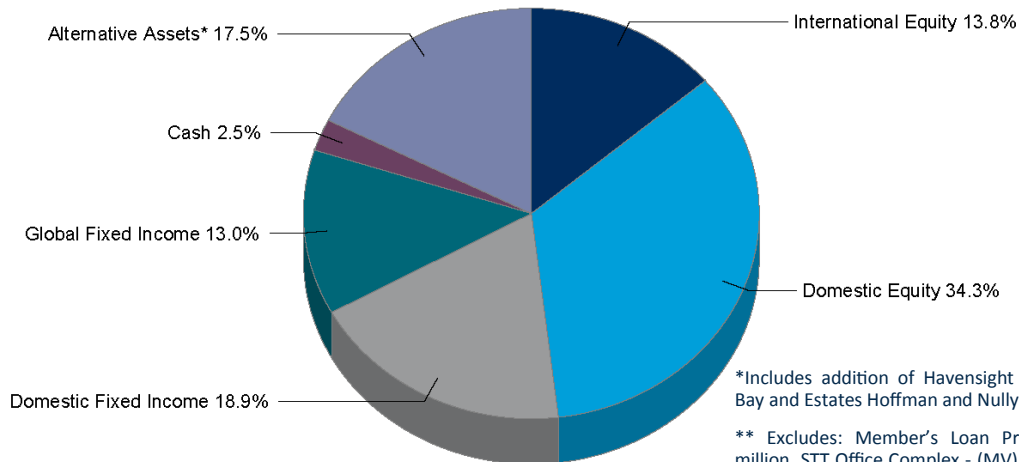
## Cumulative Return (%)



## Fund Balance (\$)



## Asset Allocation



\*Includes addition of Havensight Mall, Estate Coakley Bay and Estates Hoffman and Nullyberg.

\*\* Excludes: Member's Loan Program - (MV) \$146 million, STT Office Complex - (MV) \$7.6 million, and STX Office Complex - (MV) \$3.1 million

AS THE HOLIDAY SEASON APPROACHES, LET US REMEMBER TO...

## GIVE THANKS

For each new morning with its light  
For rest and shelter of the night  
For health and food  
For friends and love  
For Everything thy goodness sends





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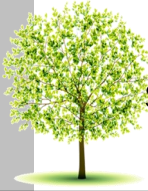
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## Upcoming Events

NOV

9<sup>th</sup>  
9<sup>th</sup>  
15<sup>th</sup>  
16<sup>th</sup>  
17<sup>th</sup>  
24/25<sup>th</sup>  
30<sup>th</sup>

DEC

7<sup>th</sup>  
14<sup>th</sup>  
15<sup>th</sup>  
15<sup>th</sup>  
16<sup>th</sup>  
29<sup>th</sup>

JAN

13<sup>th</sup>  
31<sup>st</sup>

St. Thomas  
St. Croix  
---

St. Croix  
St. Thomas  
STT/STX  
---

St. Thomas  
St. Croix  
---  
St. Croix  
STT/STX  
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Financial Planning  
Pre-Retirement  
**RETIREE PAY DAY**  
Financial Planning  
Board Meeting  
GERS Offices Closed

**RETIREE PAY DAY**  
Financial Planning Workshop  
Pre-Retirement Workshop  
**RETIREE PAY DAY**  
Board Meeting  
Employee Recognition Program  
(GERS Offices Closed)  
**RETIREE PAY DAY**

**RETIREE PAY DAY**  
**RETIREE PAY DAY**

## CONTACT Us...

3438 Kronprindsens Gade  
Ste. 1  
St. Thomas, VI 00802-5750  
Phone: (340) 776-7703  
Fax: (340) 776-4499

3004 Estate Orange Grove  
Ste. 1  
Christiansted  
St. Croix, VI 00820-4260  
Phone: (340) 718-5480  
Fax: (340) 718-5498

8am - 5pm

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Send an email to [kcallendar@usvigiers.com](mailto:kcallendar@usvigiers.com)...type **SIGN ME UP** in the subject line. Please include your name in the email.

**SUPPORT OUR INVESTMENTS** Shop at the Havensight Mall...Stay at the Renaissance Carambola Beach Resort!

"Contributing today for a better tomorrow."

ADDRESS SERVICE REQUESTED

UPDATE



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GERS COMPLEX, 3<sup>RD</sup> FLOOR  
ST. THOMAS, VI 00802-5750

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