

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

**St. Thomas/St. Croix via Zoom  
Thursday, April 20, 2023  
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: 3/23/23)
- 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. Privileges of the Floor
- XIII. Adjournment

# GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

**April 20, 2023**

The Regular Meeting of the Board of Trustees for April 20, 2023, was called to order by 9:38a.m. The meeting was held via Zoom. At roll call, Trustees present were Dorsey, Russell, Smith, and Callwood. Trustees not present were Bowry (excused) and Liger. Ex-officio member Cindy Richardson was excused. Trustee Liger joined the meeting after the roll call.

Regular Board meeting Staff in attendance: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Ishmael Meyers, Deputy General Counsel, Denise Jeremiah, Chief Financial Officer, Asiah Clendinen Gumbs, COO, Glenville Henderson, Investment Analysts, Zaida Castro, Executive Assistant to the Administrator, and Nikia Coley, Administrative Assistant to the Board

Other GERS staff in attendance: Shoran D. C. Sasso, Director for Member Services, Michelle Nico, Office Operations Coordinator – St. Croix Complex, Abena McClean, Benefits Analysts, Member Services, Chanda Todman, Benefits Assistant, Member Services, Ucilla Austrie, Accounting Coordinator, Lorraine Murray Richardson, Human Resources Generalist, Sakeeda Figueroa, Communication and Member Education Specialists, LeSean Moses, IT

Also present in the meeting were Pedro K. Williams, Board Counsel, Stenographer, Desiree Hill, and representing ex-officio member Cindy Richardson was Valcina Quashie, Assistant DOP.

## **Comments and Suggestions from Retirees**

None

## **Comments and Suggestions from Active Members**

None

## **Secretary's Minutes**

*A motion was made by Trustee Dorsey to accept the minutes of March 23, 2023, and seconded by Trustee Smith. The motion passed with 3 Yes (Russell, Smith, and Callwood) 1 Not Voting (Dorsey) and 2 Absent (Bowry and Liger).*

## **Communications and Correspondences**

None

# GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

April 20, 2023

## Chairman's Report

- Attended the April 14<sup>th</sup> Select Committee meeting in search of a new Administrator.
- Chaired the Investment Committee meeting on April 18<sup>th</sup> and received an update from the Systems' Investment Managers.
- Received the mid-year review of the System's budget in the Budget Committee meeting on April 19<sup>h</sup>.

Trustee Dorsey requested to be notified of Budget Committee meetings. The Chairman stated that all Board members can participate in the committee meetings but only those that are assigned to the standing Committee can vote.

## Administrator's Report

### Meetings, Presentations, and Appearances

- March 28 Attended the Pre-Proposal meeting Re: RFP for Engineering Services for Waterline Replacement at Havensight Mall.
- 29 Attended the Havensight Mall Oversight Committee (HMOC) meeting to review and discuss the Cost Proposal for the respondent to the RFP for Strategic and Infrastructure Plan.
- Met with the Compliance and Control Officer Re: The status of processing the annual benefits statements.
- 30 Meeting with Vitech Re: Issues with the processing of the annual benefits statements and resolution.
- April 3 HMOC emergency meeting to discuss the structural failure of the eastern side of Building 3 at the Havensight Mall.
- Attended the Development Committee meeting.
- 11 Meeting with WAPA Re: Pre-Proposal questions received from a respondent to the RFP for Engineering Services for Waterline Replacement at Havensight Mall.

**GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING**

**April 20, 2023**

- 13 Special HMOC meeting Re: Pre-Contract scope of work discussions Re: Strategic and Infrastructure Plan.
- 18 Attended the Investment Committee meeting.
- 19 Attended the Budget Committee Mid-Year meeting.

# GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

**April 20, 2023**

## Member Services

### Retirement Applications - as of April 15, 2023

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
STX	147	111	118	177	143	114	164	140	42	
STT	<u>147</u>	<u>164</u>	<u>127</u>	<u>224</u>	<u>172</u>	<u>126</u>	<u>179</u>	<u>184</u>	<u>22</u>	
Total	294	275	245	401	315	240	343	324	64	
Processed	<u>293</u>	<u>275</u>	<u>245</u>	<u>401</u>	<u>315</u>	<u>239</u>	<u>340</u>	<u>252</u>	<u>0</u>	
Remaining	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>3</u>	<u>72</u>	<u>64</u>	<u>141*</u>
% Completed	99%	100%	100%	100%	100%	99%	99%	78%	0%	

### Compliance and Control - Contribution Processing October 1, 2022 – March 31, 2023

#### Refunds

	No. Cases <u>Completed</u>	Total <u>Amount</u>	No. of Cases <u>Pending</u>
Regular	262	\$4,707,016.50	7
Erroneous	13	6,051.66	19
Employer Share	3	21,693.66	5
Overpayment	<u>203</u>	<u>527,697.88</u>	<u>0</u>
Total	<u>481</u>	<u>\$5,262,459.70</u>	<u>31</u>

#### Death Benefits

<u>Types</u>	No. Completed <u>10/1/22-03/31/2023</u>	Amount <u>10/1/22-03/31/2023</u>	No. of Cases <u>Pending</u>
Active	12	\$ 564,628.70	27
Retired	<u>6</u>	<u>375,046.29</u>	<u>2</u>
Total	<u>18</u>	<u>\$ 939,674.99</u>	<u>29</u>

**GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING**

**April 20, 2023**

**Accounting Department**

Annuity Payments

Number of retirees as of April 14, 2023, payroll: **8,782**

**Cumulative dollar paid out from October 1, 2022 – April 14, 2023 - \$143,125,449.92**

Number of retirees added to the payroll from October 1, 2022 – April 14, 2023. **218**

Number of retirees added to the payroll for the April 14, 2023, pay date. **13**

Number of retirees expected to be placed on payroll for April 27, 2023, pay date: **30**

Number of deceased retirees deleted from the payroll from October 1, 2022, through April 14, 2023: **169**

Note: The Gross Retiree Payroll for 4/14/23 was **\$11,104,975.51**.

**GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING**

**April 20, 2023**

Compliance and Control Monthly Report – March 2023

**PERSONAL LOANS**

DATE

**LOAN PORTFOLIO FOR THE MONTH ENDING MARCH 2023**

	3/31/2023	STT/STJ	STX
Active Personal Loans	454	263	191
Retiree Personal Loans	456	256	200
	<b>910</b>	<b>519</b>	<b>391</b>
<b>MORTGAGES</b>			
Construction/Home Improvement	18	10	8
Land	16	14	2
Purchase/Refinance	22	17	5
Totals	<b>56</b>	<b>41</b>	<b>15</b>
<b>TOTAL LOANS &amp; MORTGAGES</b>	<b>966</b>	<b>560</b>	<b>406</b>
<b>TOTAL OUTSTANDING</b>			
<u>March 2023</u>	<b>Total</b>	<b>STT/STJ</b>	<b>STX</b>
Active PL -	\$ 3,535,636.89	\$ 2,197,692.13	\$ 1,337,944.76
Retiree PL -	3,555,497.11	1,998,433.29	1,557,063.82
Purchase/Refi -	1,207,210.30	941,120.95	266,089.35
Construction -	1,839,807.37	1,122,681.19	717,126.18
Land Loans -	309,880.38	275,748.03	34,132.35
<b>GRAND TOTAL</b>	<b>\$ 10,448,032.05</b>	<b>\$ 6,535,675.59</b>	<b>\$ 3,912,356.46</b>

# GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

April 20, 2023

## Operations

### St. Croix Office Complex

No major issues other than ongoing maintenance.

#### **PROJECTS IN PROGRESS:**

Paint all exterior columns.

Replace missing tiles and refurbish the fountain.

Directional signage.

### St. Thomas Office Complex

#### **Environmental Conditions and Areas:**

The southern flat roof will need replacement soon as the TPO covering is at the end of its life.

#### **Air Conditioner Project**

The service provider (Carrier) will be on site the week of April 17, 2023, to start VAV work.

#### **New GERS Complex Generator**

The new 500KW is expected to arrive on the island by the end of April. A decision was made to build a new enclosure for unit with a switch gear.

Next steps, architectural drawings and permits for approximately \$16,000.

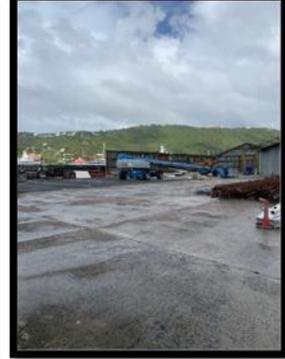
### Havensight Mall

#### **Warehouse Demolition**

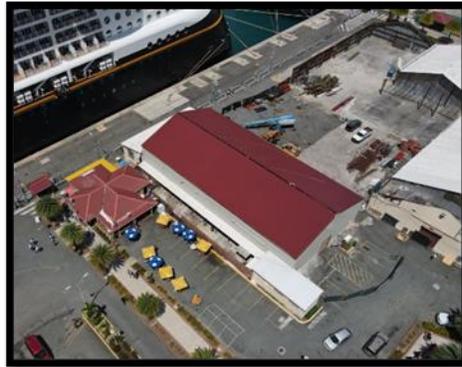
Work continues on Warehouse 4. Environmental Concepts tested the remaining metal trusses. All tested negative except the tracks for the metal roll up doors which will be disposed of off island.

# GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

April 20, 2023



New Warehouse J pictures with roof and completed sides. There is an issue which may delay the completion. The manufacturer of the mezzanine has not performed. We are in the process of contracting with another supplier.



## **Hotel Development**

CZM is expected to provide a final hearing date. Once posted, CZM waits 10-14 days before the hearing can take place to approve the project.

## **St. Thomas Historical Trust**

A meeting is scheduled for the first week of May with the St. Historical Trust to make final decisions.

## **Generator**

Waiting for the electrical engineers from Puerto Rico to visit the site.

# GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

April 20, 2023

## Building 3 Structural Failure

In the early morning of April 3, 2023, a portion of overhang (cantilever) collapsed at Delly Deck Restaurant at Havensight Mall.

Building 3 was built in 1975. The concrete overhang above the Delly Deck Restaurant's entrance failed due to rusted and corroded steel in the concrete. The earthquake/tremor that morning may have been the trigger. The overhang is primarily used for maintenance and hurricane shutter installation. The window and frame were also damaged. The engineer suggested that the overhang inside the restaurant's outside seating be reinforced with columns and/or beams.



In the early 2000s (exact date not known), a portion of Building 3's overhang also failed, and it was replaced with a catwalk seen in the pictures.

During the walk-through, the structural engineer noted additional areas of concern, and suggested demolishing all overhangs.

The Great Wall Chinese Restaurant's overhang is temporarily being shored up and will be demolished.

## Structural Engineer's Recommendation:

All cantilevers must be removed and resurfaced. The Delly Deck's outside eating area roof must be detached from the cantilever. A column should be erected, and the outdoor eating area attached to it. If a "catwalk" is needed for shutters/access, a metal catwalk should be installed. Canopies or similar can be designed for covering. Once the final report is received, quotes will be solicited.

**GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING**

**April 20, 2023**

**Office Buildings Rental and Electricity Collections – Exhibit A**

	March 2023	Total FYTD	Arrearages
Rental	\$35,404.57	\$397,715.14	\$109,486.60
Electric	<u>23,312.75</u>	<u>240,226.63</u>	<u>67,057.48</u>
Total	<u>\$58,717.32</u>	<u>\$637,941.77</u>	<u>\$176,544.08</u>

**LEASES**

**Equus Workforce Solutions**

The lease was forwarded to Equus. The Contract Manager and GERS Legal are discussing the language.

**Division of Personnel**

Both parties signed the lease, and it was sent to P&P on April 5, 2023.

**Department of Justice**

As per the Department of Property and Procurement (DPP), the DOJ is required to provide proof of funding, and Mr. Christopher (DOJ) confirmed that DOJ is working to obtain the payment documentation so DPP can finalize the processing of the agreement. As of 4-4-2023, the DOJ is still seeking additional funding from OMB for the rental increase amount to complete the execution of the lease. February and March rent payments are in progress.

**Committee Reports**

- (a) Investment Committee – Chairman Callwood – The Investment Committee met on April 18<sup>th</sup> and received an update from Meketa, the System’s Investment Advisors, regarding the performance of GERs portfolio.
- (b) Development Committee – Trustee Russell – The Development Committee received an extensive report from Administrator Nibbs and Chief Operating Officer, Clendinen Gumbs about the vacant properties and the Havensight Mall. The Development Committee meets on the first Monday of each month.
- (c) Budget/Audit Committee Report – Chairman Callwood - The committee reviewed the System’s budget as had agreed to get together halfway through the year to see if there were any changes to be made. Currently, there are no significant changes.
- (d) Policy Committee Report – No Report

# GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

April 20, 2023

## Treasurer's Report

### System

Denise Jeremiah, CFO read the Treasurer's Report for the System and Havensight Mall for the month ending March 31, 2023, into the record.

Total Collections for March 31, 2023 is \$13.7M and FYTD is \$239.3M. Total Disbursements for March 31, 2023 is \$24.7M and FYTD is \$154.9M; Net Cash Deficit for March 31, 2023 is approximately \$11M and a Net Cash Surplus of \$84.4M FYTD.

Trustee Dorsey asked for clarification about the drawdown activities as of to date. According to CFO Jeremiah, the System draws down money every other month to meet the need of the retirees' payroll. For the month of March, the System drew down \$20M. The System has drawdown year to date a total of \$70M.

### Havensight Mall

Total Collections for March 31, 2023 was \$390.6K and FYTD \$2.7M; Total Disbursements for March 31, 2023 was \$556.9 K and FYTD is \$2.7M and a Net Cash Deficits of \$166.3M and Net Cash Surplus of \$56K FYTD.

*A motion was made by Trustee Dorsey and seconded by Trustee Russell to accept the Treasurer's Report for March 31, 2023. The motion passed with 5 Yes (Dorsey, Liger, Russell, Smith, and Callwood), and 1 Absent (Bowry).*

## Investment Officer's Report

Glenville Henderson, Investment Analysts, read the investment report for the month ending March 31, 2023, into the record.

The Total Plan return 1.3% for the month.

The Domestic Equity Return is 2.6% and in line with its benchmark.

Total International Equity return is 2.8% and outperformed its benchmark by 0.3%.

Total Fix Income is 2.1% and underperformed its benchmark by 0.5%.

Total Alternative Return was -4.8%.

Notable Fund Performance: Russell 3000 index return is 2.6%.

MSCI Emerging MKTS Index Returned is 3.3%.

US TIPPS is up 2.9%

**GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
MINUTES BOARD OF TRUSTEES REGULAR MEETING**

**April 20, 2023**

Raised \$20M (\$15M from US Aggregate Bond Index and \$5M from Russell 3000 index) in the month of March to replenish cash on hand.

Cash Flow Activity: Month ended was \$468.9M; Net Cash Flow of -\$20M; Income -\$3.5M, gain of \$9.7M, Ending Market Value \$468.9M

Custodian/Consulting/Management Fees: No fees paid for March 31, 2023. As of FYTD paid \$229K in fees.

*A motion was made by Trustee Russell and seconded by Trustee Dorsey to accept the Investment Officer's Report for March 31, 2023. The motion passed with 5 Yes (Dorsey, Liger, Russell, Smith, and Callwood) and 1 Absent (Bowry).*

**Privileges of the Floor**

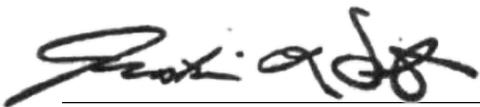
*Trustee Russell made a motion which was seconded by Trustee Dorsey for Administrator Nibbs to be a voting member of the search committee to select the new CEO. The motion passed with 3 Yes (Dorsey, Liger, and Russell) 1 Not Voting (Smith), 1 No (Callwood) and 1 Absent (Bowry).*

**Adjournment**

*A motion was made by Trustee Dorsey and seconded by Trustee Russel to adjourn the meeting. The motion passed with 5 Yes (Dorsey, Liger, Russell, Smith, and Callwood), and 1 Absent (Bowry)*

*The meeting adjourned at approximately 10:46am*

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



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

# GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

**April 20, 2023**

## RENTALS – EXHIBIT A

	March 2023 Collection				Total Year-To-Date Revenue Collection	Rental Arrearage	Electrical Arrearage	Notes	
	Rental Collection	Electrical Collection	Rental Year-To- Date Collection for FY 2023	Electrical Year-To- Date Collection for FY 2023					
Department of Justice	\$ -		\$ 185,315.00	\$ 149,602.07	\$ 334,917.07	\$ 74,126.00	\$ 52,261.57	Feb. & March Rent/Electrical	
Division of Personnel	-	23,109.56	65,947.20	83,412.29	149,359.49	26,378.88	13,532.90	Feb. & March Rent	March Electrical
FirstBank	290.20	203.19	1,741.20	663.57	2,404.77	-	-		
Ophthalmology Consultants, LLC	6,365.40	-	38,192.40		38,192.40	-	-		
Plessen Eye, LLC_ADMIN	12,027.84	-	20,046.40	-	20,046.40	4,009.28	-	March Rent	
Plessen Eye, LLC_ADMIN STORAGE	1,740.00	-	2,900.00	-	2,900.00	580.00	-	March Rent	
Plessen Eye, LLC_ASC	13,177.32	-	30,747.08	-	30,747.08	4,392.44	-	March Rent	
ResCare (JobCorps)	1,803.81	-	10,822.86	855.86	11,678.72	-	1,263.01	Feb. & March Electrical	
VI Housing Finance Authority	-	-		5,692.84	5,692.84	-	-		
VI Casino			42,003.00	-	42,003.00	-	-		
<b>Total income Received</b>	<b>\$ 35,404.57</b>	<b>23,312.75</b>	<b>397,715.14</b>	<b>240,226.63</b>	<b>637,941.77</b>	<b>109,486.60</b>	<b>67,057.48</b>		