

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

**St. Thomas/St. Croix via Zoom
Thursday, April 21, 2022
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: 3/24/22; Special: 4/1/22)
- 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. Unfinished Business
 - (i). Approval of January 2022 Treasurer's Report
 - (ii). Approval of January 2022 Investment Officer's Report
 - (iii). Approval of February 2022 Treasurer's Report
 - (iv). Approval of February 2022 Investment Officer's Report
 - B. New Business
 - (i). SB & Company Proposal to GERS re: Audit Services Beginning FY 2021 for Five Years
- XII. **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). JLL Presentation
 - B. New Business
 - (i). M. Duggan Appeal
- XIII. Privileges of the Floor
- XIV. Adjournment

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

April 21, 2022

The Regular Meeting of the Board of Trustees for April 21, 2022, was called to order at 9:48 am. The meeting was held via Zoom and shown on YouTube. At roll call, Trustees present were Callwood, Russell, Smith, and Bowry. Trustees not present during the roll call were Dorsey and Liger. A quorum was established with 4 Trustees present. Trustee McDonald and ex-officio member Cindy Richardson were absent. Trustees Dorsey and Liger joined the meeting after the roll call.

Staff in attendance: Austin Nibbs, Administrator, Cathy Smith, General Counsel, Denise Jeremiah, CFO, Asiah Clendinen Gumbs, COO, Glenville Henderson, Investment Analyst, LeSean Moses, IT, Nikia Coley, Administrative Assistant to the Board of Trustees, Roy Moorehead, Chief Security Officer-Havensight Mall, Sakeeda Figueroa, Ucilla Austrie, Accounting Coordinator, Jasmin Greaux, Chief, Compliance and Control, and Jenelle Forbes, Records Retention/Imaging Coordinator.

Also present in the meeting were Pedro K. Williams, Board Counsel and Kelsha Williams (Associate Pedro Williams Law Offices).

Comments and Suggestions from Retirees and Active Members

Mary Moorehead (retiree) made a comment that the Board should not follow the Governor's recommendation for the immediate reinstatement of the loan program. She suggested that the Board should wait a couple of years to consider reinstatement.

The Chairman asked for a moment of silence for Yvonne Bowsky a former trustee whose funeral was being held today.

Secretary's Minutes

Motion was made by Trustee Callwood and seconded by Trustee Russell to approve the secretary's minutes for the Regular Board Meeting – March 24, 2022. The motion was passed 4 yes (Callwood, Russell, Smith, and Bowry) and 3 absent (Dorsey, Liger, and McDonald).

Trustee Callwood mentioned that there was a typo in the secretary's minutes for April 1st meeting. Under Regular Session in the second sentence the word *agree* should be changed to *agreed*.

Motion was made by Trustee Callwood and seconded by Trustee Smith to approve the secretary's minutes for the Special Board Meeting – April 1, 2022 as amended. The motion was passed 5 yes (Callwood, Dorsey, Russell, Smith, and Bowry) and 2 absent (Liger and McDonald).

Communications and Correspondences

The Administrator read into the record: 1). A letter from the Administrator dated February 18, 2022 to the President of the Legislature Dona Frett Gregory regarding an amendment to Section 4 (g) of Act No. 8540 which provides Upon the issuance of delivery of the GERS Funding Note, all amounts budgeted by the Government to be paid into the GERS during Fiscal Year 2022, are deemed voided, rescinded, and of no further effect. The Administrator mentioned that no response was received.

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- 2). A letter dated February 24, 2022 received from Senator Kenneth L. Gittens requesting the GERS to resume the loan program in accordance with Act No. 7880.
- 3). A letter dated March 14, 2022 from Senate President Donna Frett Gregory inviting the Administrator to appear on March 16, 2022 to provide testimony on zoning map amendment application ZAT-22-3 regarding the rezoning of Parcels 2 and 4 at the Havensight Mall property.
- 4). A letter dated March 21, 2022 from the Administrator to Senator Gittens in response to his February 24, 2022 letter. The Administrator indicated to the senator that a recommendation to reinstate the loan program will be made to the Board.
- 5). A letter dated March 29, 2022 from Kurt A. Vialet, Chairman, Committee on Finance requesting information from the GERS in preparation for the FY 2023 budget. The Administrator mentioned that the System has selected 4 days in August (8th, 10th, 15th, and 16th) that the System will be available to present to the Committee.
- 6). A letter dated March 29, 2022 from Andrew. Smith, WAPA CEO in response to a meeting with GERS on March 28, 2022 and proposing extended payment schedules for outstanding employee and employer contributions.
- 7). A letter from the Administrator dated April 1, 2022 to WAPA CEO Andrew Smith which was read into the record advising Mr. Smith that the extended schedules presented were not acceptable to the GERS.

There was a lengthy discussion regarding the Board's directive to pursue court action against WAPA. It was suggested that the Administrator forward a settlement agreement to WAPA. The Administrator stated that he had sent WAPA a letter on April 1, 2022 to Mr. Smith and no response was received as of today. The final Board's directive was that the Administrator send a settlement agreement to WAPA for a response by Monday on their final decision and move forward immediately to file a court action against WAPA for not remitting to the GERS employee contributions and deductions and employer contributions since June 24, 2021.

Chairperson's Report

The Chairman reported:

- 1). On April 6th the GVI executed the loan financing for the GERS and made the first payment of \$89.2 million was received on April 7th. He attended the press conference on April 11th where a photo check presentation was made.
- 2). The second payment of \$158 million is due on October 1, 2022, for a total of \$247 million that will be received by the GERS in calendar year 2022.
- 3). Thanked the governor and the legislature for making good on their promise to avert the GERS insolvency.
- 4). Act No. 8573 was signed by the governor on April 11th for the rezoning of the Parcels at the Havensight Mall for the proposed hotel development. This allows the GERS to move forward with negotiating a ground lease, a source of revenues to the GERS.

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5). Act No. 8560 – Return to Work legislation was signed by the governor on April 11th. This legislation allows retirees to return to work where there are hard to fill vacant budgeted positions and retain their annuity and pay in contributions to the GERS.

6). Thanked the management and staff that contributed behind the scenes to the success of these efforts.

Administrator's Report

Meetings, Presentations, and Appearances

March 25th Attended Havensight Mall Oversight Committee meeting.

28th Meeting with WAPA CEO

April 1st Attended Special Meeting Re: Haven Development LLC

5th Attended GERS Bond Note Closing in Washington, DC

12th Meeting with Segal Re: ADEC

20th Meeting with Commissioner of Department of Finance

Retirement Applications - as of April 15, 2022

A total of 168 applications pending as of April 15th. Of the 168 applications, 99 (2021) and 59 (2022).

Disability Life Certificates

2020 Duty/Non-Duty Disability Life Certificate Distribution

226	Validated	
0	Benefits Suspended	
3	Deceased	
2	Pending Receipt of Life Certificate (Annuity suspended)	
231		

2022 Duty/Non-Duty Disability Life Certificate Distribution

A total of 262 new Disability Life Certificates were mailed out on April 5, 2022 with a deadline date of May 30, 2022. 86 residing in the U.S. and 176 residing in the Virgin Islands.

DISABILITY CASES PENDING

In Person Medical Exams	0
Disapproved by GERS Physicians	1
Internal Legal	4
Total Pending Disabilities	5

Return to Work Analysis

Total employee contributions due	\$1,845,725
Total employee contributions received	<u>536,928</u>
Balance due	<u>\$1,214,583</u>
Employer contributions due from SAAs -	<u>\$116,468</u>

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Note: We are accumulating a listing of retirees (police officers, nurses, and teachers) who returned to work under the current law (returned for 2 years, retaining annuity, no contributions due, no recalculation of annuity).

Compliance and Control - Contribution Processing - October 1, 2021 – March 31, 2022

Refunds

	<u>No. Cases Completed</u>	<u>Total Amount</u>	<u>No. Cases Pending</u>
Total	<u>427</u>	<u>\$3,646,362.81</u>	<u>29</u>

\$3,011,061.20 (82.6%) represents regular (non-vested).

Death Benefits - October 1, 2021 – March 31, 2022

<u>Types</u>	<u>No. Completed</u>	<u>Amount</u>	<u>No. of Cases Pending</u>
Active	15	\$474,075.90	44
Retired	<u>10</u>	<u>310,003.92</u>	<u>9</u>
Total	<u>25</u>	<u>\$ 784,079.82</u>	<u>53</u>

\$474,075.90 (60.5%) represents active members.

Accounting Department

Annuity Payments

Number of retirees as of April 13, 2022 payroll: **8,701**

Cumulative dollar paid out from October 15, 2021 – April 13, 2022 - **\$141,144,895.08**

Number of retirees added to payroll from October 1, 2021 – April 13, 2022. **197**

Number of retirees deleted from payroll from October 1, 2021, through April 13, 2022: **176**

Note: The Gross Retiree Payroll for pay date April 13th was \$10,895,150.69.

FY 2023 Budget Timeline

Divisions/Units Budgets

CFO's office releases budget calls to divisions/units including Havensight Mall NLT March 1, 2022

Preliminary Budget

CFO's office to Administrator – on or before June 30, 2022

Preliminary Budget Review/Adjustments

Administrator to CFO's office on or before July 15, 2022

Final Budget Review

CFO's office to Administrator - on or before July 25, 2022

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Submit to Budget Committee

Administrator submits to Budget Committee - on or before August 1, 2022.

Mid-Year Review with Budget Committee – FY 2022 Budget

Recommend Monday, May 2nd or Monday, May 9th.

The Chairman recommend a joint Investment/Budget Committee meeting be held. Ms. Coley will arrange the meeting.

Member Loan Portfolio – March 31, 2022

Total Loans and Mortgages 1,676 units (1,598 – personal / 78 – mortgages)

Total Amount Outstanding - \$18.5 million

At the end of 2022, approximately 526 loans are scheduled to mature.

Management will be forwarding a recommendation for the Reinstatement of the Loan Program in a different form beginning FY 2025 (October 1, 2024) for personal loans and FY 2026 (October 1, 2025) for mortgages to the Policy Committee for review and consideration.

Operations

St. Croix Office Complex – Nothing substantial to report.

St. Thomas Office Complex

Building

GERS Hip Roof

Scheduled completion date July 2022 (subject to weather).

Air Conditioner Project

Anticipated project completion date – 2nd to 3rd Quarter FY 2022.

Generator

The generator is currently not operable. The fuel injection pump is being rebuilt. Currently, the company is calibrating the rebuilt part. We anticipate arrival within the next 2-3 weeks. The generator is not operable until the part is replaced. Load test was conducted by Import Supply . The building is at 400KW full power. Scheduling a load test for a prospective new generator.

Havensight Mall

Warehouse J

RFP is out to bid. The new date for submittal is April 20, 2022, at 3pm.

Rental and Electricity Collections

	March 2022	Total FYTD	Arrearages
Rental	\$65,326.63	\$397,528.11	\$100,491.16
Electric	<u>29,071.69</u>	<u>243,685.18</u>	<u>53,125.75</u>
Total	<u>\$94,398.32</u>	<u>\$ 641,213.29</u>	<u>\$153,616.91</u>

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LEASES

Division of Personnel - Property and Procurement requested Purchase Orders for the rental amounts from DOP to move the lease forward for the final signatures and a spreadsheet of payments. Additionally, Property and Procurement is requiring DOP to obtain a letter from DOF ensuring the validity of the Purchase Order.

Department of Justice –Brief conversation held with Property and Procurement and Department of Justice for signatures. Spoke with the Department of Justice AG for an update on signatures 4-06-2022.

FEMA

GERs (Clendinen Gumbs) attended FEMA Meeting on April 4, 2022.

FEMA request an RFI (Request for Information).

FEMA Log ID: 21825 www.fema.gov

FEMA has indicated that our response to this RFI will enable FEMA to respond to the current SOW amendment and EHP compliance review requests accurately and fully.

COVID-19 Protocol

The GERS COVID-19 Protocols remain in place until Management is satisfied that their offices are safe to open up to the public. An E-mail was sent to staff by Operations on March 15, 2022.

Committee Reports

None,

Treasurer's Report

The Treasurer's Report for the month of March 2022 was read into the record by Denise Jeremiah, CFO.

System

Collections – Month of March - \$14,627,575 / FYTD \$80,468,229

Disbursements – Month of March - \$24,333,315 / FYTD \$144,700,064

Net Deficit – Month of March - (\$9,705,741) / FYTD (\$64,231,835)

Havensight Mall

Collections – Month of March - \$220,889 / FYTD \$1,266,932

Disbursements – Month of March - \$188,662 / FYTD \$1,381,081

Net Surplus/(Deficit) – Month of March - \$32,227 / FYTD (\$114,149)

Motion was made by Trustee Smith and seconded by Trustee Callwood to approve the Treasurer's Report for March 31, 2022. The motion passed 5 yes (Callwood, Dorsey, Liger, Smith, and Bowry) and 2 absent (Russell and McDonald).

Investment Officer's Report

Total Plan Market Value at the end of March 2022 - \$358.9 million.

YTD \$35.0 million was withdrawn from the portfolio. Income - \$1.2 million, and Loss - \$15million.

Total Plan returned -1.6% for month of March. Fixed Income -2.2% and outperformed its benchmark by 0.6%. Total Alternatives returned 0.7% and underperformed its benchmark by 3.3%.

Motion was made by Trustee Smith and seconded by Trustee Callwood to approve the Investment Officer's Report for March 31, 2022. The motion passed 5 yes (Callwood, Dorsey, Liger, Smith, and Bowry) and 2 absent (Russell and McDonald).

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

April 21, 2022

Regular Session

Unfinished Business

A decision was made to approve the prior months' Treasurer's Reports and Investment Officer's Reports in blocks.

Motion made by Trustee Callwood and seconded by Trustee Dorsey to approve the Treasurer's Reports for January and February 2022 and the Investment Officer's Reports for January and February 2022. The motion passed 5 yes (Callwood, Dorsey, Liger, Smith, and Bowry) and 2 absent (Russell and McDonald).

New Business

The Administrator presented a Summary of the RFP No. 2022-01 for Auditing Services.

The RFP was issued on January 3, 2022 through March 30, 2022 and advertised in the V.I. Daily News, St. Croix Avis, Pensions and Investments, and the GERS Website.

Inquiries Received from SB & Company, LLC (National) and Benham & Hodge (Local).

One (1) proposal was received before February 15th deadline (5:00pm) from SB & Company, LLC (National) Because only one (1) proposal was received, the RFP was extended to March 30th (5:00pm) and advertised in the V.I. Daily News and the GERS Website. We advised SB & Company of the extension and informed them that they did not have to resubmit a proposal. We also invited the following Big 6 firms to bid - Cohn Reznick, Deloitte, KPMG, and Price Waterhouse Coopers. KPMG inquired and was afforded a zoom meeting. However, on deadline date after 4:00pm asked if the RFP could be extended. Management responded no. KPMG submitted a proposal at 9:44pm. The deadline time was 5:00pm.

Evaluation Results

SB & Company, LLC was responsive to the RFP and met all of the requirements and qualifications set forth in the RFP.

Experience in Auditing Pension Plans - See Below and Pages 13-14 of Proposal
Pennsylvania Public School Employees Retirement System – Net Assets \$50.2Billion/Active Participants 346,618 / Metropolitan Washington Airport Authority Employees Police and Firefighters Retirement Plan – Net Assets \$331.2 Million/ Active Participants 2,482 / Montgomery County Employees Retirement System – Net Assets \$5.3Billion/ Active Participants 13,660 / Maryland State Retirement & Pension System Plan – Net Assets \$55Billion/Active Participants 193,000.

Fees Proposed - See Below and Page 10 of Proposal

FY 2021-\$110K / FY 2022-\$115K / FY 2023-\$120K / FY 2024-\$125K / FY 2025- \$130K

SB & Company fees are in line with the amounts paid to the predecessor auditor (Bert Smith & Company) - 2015-\$108K, 2016-\$116K, 2017-\$123K, 2018 -\$133K, 2019-\$147K, 2020-\$160K, and 2021-\$160K.

Note that KPMG (Puerto Rico office) proposal was responsive and met all of the requirements and qualifications set forth in the RFP to conduct the audit. However, the proposal was *disqualified* because it was received on March 30th after the 5:00pm deadline. The proposal was received via email on March 30th at 9:44pm. Compared to SB & Company fees and the predecessor auditor fees (Bert Smith & Company) to conduct an audit of this size, KPMG fees are out of range. FY 2021-\$560K / FY 2022-\$465K / FY 2023-\$455K / FY 2024-\$480K / FY 2025-\$505K.

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Experience in Auditing Pension Plans - GERS prior to 2006, Pension System of the Government of Puerto Rico (Presently), The Government of the Virgin Islands through 2007.

Due Diligence - Preliminary due diligence has started on SB & Company with request of reference letters from four (4) clients mentioned above. Staff on site due diligence at SB & Company audit office will commence within 30 days. The team will comprise of the CFO, Investment Analyst, General Counsel, and the Administrator. The Board will conduct a Zoom meeting with the principal partner of SB & Company after the staff has completed its report and prior to GERS executing an engagement letter with SB & Company to audit the GERS for a period of five (5) years beginning FY 2021 - 2025. Also, SB & Company will be invited to participate in the Board Retreat.

Management's Recommendation. The Board to authorize management to complete the due diligence of SB & Company, LLC proposal to audit the GERS for a period of five (5) years beginning FY 2021-2025 and report its finding to the Board.

Questions and statements asked:

Chairman Bowry asked if KPMG threw those amounts out because they would be late? The Administrator responded no. Trustee Callwood stated that the fees submitted by KPMG are because of the brand name.

The Chairman asked what are the requirements? The Administrator responded that the firm must be a nationally recognized CPA firm with experience in pension and trust accounting for a period not to exceed five (5) years.

The Chairman inquired if the audit could be expedited? The Administrator cautioned the board that although S & B Company has significant experience auditing large pension plans, they are new auditors and there is a process after executing the engagement letter, such as, planning, mobilizing, collaborating with the predecessor auditor, site visits, and preliminary audit work, etc. that have to be done. The GERS fiscal year ended September 30, 2021. The unaudited financial statements are completed by accounting. If the new auditor comes aboard in June, management feels based on their experience, the FY 2021 audit should be completed in 120 days (October 2022). This is usually the norm if there are no hiccups during the audit.

Board Counsel made a statement to the Chairman that maybe GERS should not commit to a 5-year contract and offer a 1 or a 2-year contract to see how they perform. The Administrator disagreed and stated that the RFP was advertised for 5 years, and this is what S & B Company proposed for. General Counsel Cathy Smith mentioned that there is always a termination provision in any contract.

Motion made by Trustee Smith and seconded by Trustee Callwood to authorize management to complete the due diligence of SB & Company, LLC proposal to audit the GERS for a period of five (5) years beginning FY 2021-2025 and report its finding to the Board. Motion passed 4 yes (Callwood, Liger, Smith, and Bowry) and 3 absent (Dorsey, McDonald, and Russell).

Motion made by Trustee Callwood and seconded by Trustee Smith to go into executive session to discuss 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. Motion passed 4 yes (Callwood, Liger, Smith, and Bowry) and 3 absent (Dorsey, McDonald, and Russell).

Executive Session

A motion was made by Trustee Dorsey and seconded by Trustee Russell to come out of executive session. The motion passed 5 yes (Callwood, Dorsey, Liger, Russell, and Bowry) and 2 absent (McDonald and Smith).

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

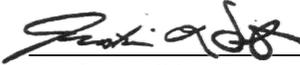
April 21, 2022

Regular Session

The Chairman reported out the following actions taken in Executive Session.

- 1). The Board voted to accept the term sheet with Haven Development LLC as presented to the Board for a ground lease for the hotel development at the Havensight Mall property.
- 2). The Board voted to authorize the Administrator to negotiate a lease agreement with Port of Sale and seek approval from the Board as to the terms negotiated.
- 3). The Board made a decision in the matter of an appeal by Mary Duggan and the parties will be notified of the decision by an order.

The meeting adjourned at 2:09pm.



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

May 17, 2022

Mr. Austin L. Nibbs
Administrator/CEO
3438 Kronprindsens
GERS Complex Ste 1.
St. Thomas, Virgin Island 00802
Email: anibbspa@usvigiers.com

Dear Mr. Nibbs;

This correspondence serves to inform you that I will be unable to attend the GERS Board meeting scheduled on Thursday, May 19, 2022. On said date, my colleagues and I will be attending the National Association of African American in Human Resources (NAAAHR) Conference on St. Croix.

Thank you for your usual understanding and I look forward to next scheduled meeting.

Sincerely,



Cindy L. Richardson
Director

cc: Asiah Clendinen-Gumbs, Chief Operating Officer
Cathy M. Smith, Esq., General Counsel
Florine Audain-Hassell, Assistant Director, Division of Personnel
Valcina Quashie, Deputy Director, Division of Personnel

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

ADMINISTRATOR'S REPORT

Regular Board Meeting

May 19, 2022

ADMINISTRATOR'S REPORT
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Meetings, Presentations, and Appearances

- May 6th Attended mid-year Budget Committee meeting
- 8th Due diligence planning meeting with CFO, General Counsel, and Investment Analyst.
- 11th Attended the due diligence meeting Re S B & Company in Owing Mills, MD.
- 13th Attended the planning/implementation meeting Re: Act No 8560 Return to Work

Member Services

Retirement Applications - as of April 15, 2022

	<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>Total</u>
STX	147	111	118	178	143	114	161	39	
STT	<u>147</u>	<u>164</u>	<u>127</u>	<u>224</u>	<u>172</u>	<u>123</u>	<u>177</u>	<u>39</u>	
Total	294	275	245	402	315	237	338	78	
Processed	<u>293</u>	<u>275</u>	<u>245</u>	<u>401</u>	<u>315</u>	<u>229</u>	<u>263</u>	<u>6</u>	
Remaining	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>8</u>	<u>75</u>	<u>72</u>	<u>157*</u>
	99%	100%	100%	99%	100%	97%	78%	8%	

Disability Life Certificates / Disability Cases – As of May 10, 2022

A total of 262 new Disability Life Certificates were mailed out on April 5, 2022, with a deadline date of May 30, 2022.

86 Disability Annuitants Living in the US
176 Disability Annuitants residing in the Virgin Islands
 262

To date, we have received 125 Life Certificates.

84 From the US
41 From the Virgin Islands
 125

DISABILITY CASES AS IF APRIL 5, 2022.

The Disability Report was updated to remove all approved cases. There is now a total of **five (5)** disability cases pending at various stages.

REASONS PENDING

In Person Medical Exams	0
Disapproved by GERS Physicians	1
Internal Legal	4
<u>Total Pending Disabilities</u>	<u>5</u>

**Compliance and Control - Contribution Processing
 October 1, 2021 – April 30, 2022**

Refunds

	No. Cases <u>Completed</u>	Total <u>Amount</u>	No. Cases <u>Pending</u>
Regular	244	\$3,681,364.68	1
Erroneous	19	88,585.89	13
Employer Share	5	35,302.49	5
Overpayment	<u>226</u>	<u>550,187.67</u>	<u>0</u>
Total	<u>494</u>	<u>\$4,355,440.73</u>	<u>19</u>

Death Benefits

<u>Types</u>	<u>No. Completed</u> 10/1/21-04/30/2022	<u>Amount</u> 10/1/21-04/30/2022	No. of Cases <u>Pending</u>
Active	16	\$480,982.97	46
Retired	<u>10</u>	<u>310,003.92</u>	<u>11</u>
Total	<u>26</u>	<u>\$ 790,986.89</u>	<u>57</u>

Accounting Department

Annuity Payments

No. of retirees as of May 13, 2022, payroll: **8723**

Cumulative dollar paid out from October 15, 2021 – May 13, 2022

700	Pensioners	\$0.00	
702	Service Retirement Annuities	159,045,616.94	
703	Survivors' Annuities	1,085,208.71	
704	Duty-Connected Death Annuities	1,602.15	
705	Duty-Connected Disability Annuities	1,922,614.65	
706	Non-Duty Disability Annuities	948,170.03	
	Totals		163,003,212.48

Number of retirees added to payroll from October 1, 2021 – May 13, 2022. **243**

Number of retirees added to the payroll for the April 29, 2022, pay date. **27**

Number of retirees expected to be placed on payroll for the May 31, 2022, pay date: **13**

Number of retirees deleted from payroll from October 1, 2021, through May 13, 2022: **200**

Note: The Gross Retiree Payroll for the May 13, 2022 payroll was **\$10,938,410.49**

Operations

St. Croix Office Complex

No updates

St. Thomas Office Complex

Building:

GERS Hip Roof

The anticipated date of completion for the areas in Member Services, Loans, Contribution Processing is May 20, 2022. ARS will move to the section of the roof over MIS, Records, and Accounting. Anticipated completion date is July 15th.

Air Conditioner Project

Re-wire VAV system - Change order submitted for \$159,000.00.
Original contract amount - \$1,252,500.00.

Installation of Central air Control System. Anticipated project completion date moved to 4th Quarter FY 2022.

Other Ongoing Projects

- **Lobby/Atrium/ Restroom Renovations/ ADA Compliance** –Project on hold until Roof and AC completed. Springline Architect completed the drawings and the costs to be included in the FY 2023 Budget.
- **Electrical Overview** - Owner's Representative to provide a report on findings of outdated electrical panels/circuits, solutions for energy losses, and assist with generators – Main and back-up- procurement for GERS Main Building.
- **Generator**
 - Pump Repair completed May 2, 2022– has a minor leak (manufacturer to repair)
 - The motherboard needs replacement – part ordered (1-2 weeks)

Havensight Mall

Warehouse Demolition

FEMA requested two formal "Request for Information" Letters to the GERS. GERS responded timely. Waiting on EHP and SHPO review.

Warehouse J

Contractor DCM Corporation selected for the repair and renovation of Warehouse J. Waiting on FEMA for approval of the project to proceed.

White House Annex

Cleaning, electrical work continues. Anticipated move in by Summer of 2022. The space will be used for maintenance supplies.

Agave Restaurant at Havensight Mall

Received information from roof manufacturer on Roof vents. Received rendering for patio eating area and the Havensight Mall Oversight Committee approved it. DPNR advised that permits would be needed but would be fast-tracked for GERS. Spoke to the tenant and the necessary paperwork will be filed by May 11, 2022, at DPNR for patio rendering permits.

Rental and Electricity Collections – Exhibit A

	April 2022	Total FYTD	Arrearages
Rental	\$80,255.68	\$468,802.07	\$96,297.16
Electric	<u>38,333.07</u>	<u>270,666.48</u>	<u>68,392.29</u>
Total	<u>\$118,588.75</u>	<u>\$739,468.55</u>	<u>\$164,689.45</u>

LEASES

Division of Personnel - Property has received the PO needed and the legal team has the lease for review. Next steps DOJ and Governor signatures.

Department of Justice – Brief conversation held with Property and Procurement and Department of Justice for signatures. Spoke with the Department of Justice AG for an update on signatures 4-06-2022. No additional updates.

FEMA

Working with FEMA to get final approvals. Still pending.

RENTAL – EXHIBIT A

	April 2022 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	\$ 25,624.90	\$ 185,315.00	\$ 157,365.52	\$ 342,680.52	\$ 74,126.00	\$ 52,713.16
Division of Personnel	-	12,605.27	79,136.64	91,245.96	170,382.60	13,189.44	12,710.28
FirstBank	290.20	102.90	2,031.40	741.98	2,773.38	-	-
Ophthalmology Consultants, LLC	6,365.40		44,557.80		44,557.80	-	-
Plessen Eye, LLC_ADMIN	12,027.84		24,055.68		24,055.68	4,009.28	-
Plessen Eye, LLC_ADMIN STORAGE	1,740.00		3,480.00		3,480.00	580.00	-
Plessen Eye, LLC_ASC	13,177.32		26,354.64		26,354.64	4,392.44	-
ResCare (JobCorps)	3,607.62		14,167.81	4,591.58	18,759.39	-	639.61
VI Housing Finance Authority	5,984.30		47,700.10	16,721.44	64,421.54	-	2,329.24
VI Casino	-	-	42,003.00	-	42,003.00	-	-
Total income Received	\$ 80,255.68	38,333.07	468,802.07	270,666.48	739,468.55	96,297.16	68,392.29



**THE
GOVERNMENT EMPLOYEES'
RETIREMENT SYSTEM**

**SCHEDULE OF RECEIPTS
&**

DISBURSEMENTS

**PERIOD ENDING
April 30, 2022**

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
Schedule of Receipts and Disbursements
Month Ending April 30, 2022

	April-22	April-21	YTD Fiscal 2022	YTD Fiscal 2021
Receipts from collections				
Loan Repayment	\$ 412,578	\$ 1,066,941	\$ 5,733,186	\$ 8,380,679
Rent from Tenants/Utilities	\$ 80,130	\$ 301,500	\$ 569,245	\$ 761,165
Employer Retirement Contributions	\$ 5,011,830	\$ 8,137,445	\$ 53,636,045	\$ 55,757,146
Employee Retirement Contributions	\$ 2,676,076	\$ 4,176,234	\$ 27,388,757	\$ 28,494,562
Parking Facility	\$ 3,070	\$ 1,900	\$ 6,310	\$ 6,500
GERS Bond Note Funding	\$ 89,198,738	\$ -	\$ 89,198,738	\$ -
Miscellaneous	\$ 23,574	\$ 177,247	\$ 1,341,944	\$ 5,144,554
Total Collections	\$ 97,405,995	\$ 13,861,267	\$ 177,874,225	\$ 98,544,606
Disbursements				
Annuity Payments	\$ 22,309,874	\$ 21,889,836	\$ 156,154,747	\$ 153,152,964
Administrative Expenses	\$ 1,018,479	\$ 1,442,083	\$ 7,331,510	\$ 8,637,976
Personal Loans	\$ 10,035	\$ 3,839	\$ 71,266	\$ 130,057
Mortgage Loans	\$ 20,185	\$ 24,449	\$ 113,661	\$ 98,746
Retiree Loans	\$ -	\$ 801	\$ 16,964	\$ 4,801
Land Loans	\$ -	\$ -	\$ 3,648	\$ -
Refund of Contributions	\$ 751,035	\$ 382,504	\$ 5,117,875	\$ 5,146,578
Total Disbursements	\$ 24,109,608	\$ 23,743,511	\$ 168,809,671	\$ 167,171,123
Net Cash Surplus/(Net Cash Deficit)	\$ 73,296,387	\$ (9,882,244)	\$ 9,064,554	\$ (68,626,517)

Synopsis

For the month of April 2022 GERS expenses of \$24,109,608 were approximately 25% of collections

Year to date collection at April 2022 was \$79.3 million more than year to date collection at April 2021

Year to date expenditure is 46% of budget

\$85,000,000 was withdrawn from the investment portfolio to meet the obligation of the Agency

GOVERNMENT EMPLOYEES RETIREMENT SYSTEM

Supplemental Information April 2022

Loan Disbursements:

Personal Loans		
Refund	10,035	10,035
Mortgage Loans		
Insurance	20,184	20,184
TOTAL		30,219

Miscellaneous:

Re-imbusement (Legal)	900
NSF Fee	25
Annuities (deceased pensioners checks)	12,587
Delinquent & Investment Fee	7,894
Structured Service Fees	2,168
TOTAL	23,574

HAVENSIGHT MALL
Schedule of Receipts and Disbursements
Month Ending April 30, 2022

	April-22	April-21	YTD Fiscal 2022	YTD Fiscal 2021
Receipts from collections				
Rents from Havensight Tenants - net	\$ 510,329	\$ 223,154	\$ 1,755,477	\$ 1,095,988
Miscellaneous	\$ 4,510	\$ -	\$ 26,295	\$ 8,125
Total Collections	\$ 514,840	\$ 223,154	\$ 1,781,772	\$ 1,104,113
Disbursements				
Personnel Services	\$ 96,736	\$ 83,360	\$ 598,121	\$ 638,211
Overtime	\$ 5,615	\$ -	\$ 64,960	\$ -
Fringe Benefits	\$ 50,901	\$ 41,052	\$ 284,328	\$ 255,519
Supplies	\$ 701	\$ 25,580	\$ 6,304	\$ 60,967
Other Services and Charges	\$ 17,299	\$ 5,050	\$ 247,843	\$ 68,103
Utilities	\$ 11,887	\$ 5,348	\$ 32,856	\$ 29,781
Capital Project	\$ 7,000	\$ 405,456	\$ 336,808	\$ 1,265,412
Total Disbursements	\$ 190,139	\$ 565,845	\$ 1,571,220	\$ 2,317,992
Net Cash Surplus/(Net Cash Deficit)	\$ 324,701	\$ (342,691)	\$ 210,552	\$ (1,213,879)

Synopsis

For the month April 2022, Havensight Mall expenditure was 37% or \$324,701 of total collections

Year to date collections increased by 61% or \$677,658 over last fiscal year to date collections

Year to date expenditure was 48% or \$746,772 under last fiscal year to date expenditure

Fiscal Year 2022 Havensight Mall expenses were 46% of budget.

Monthly Performance & Update

Total Plan Performance

- o Total Plan returned -1.5% for the month
- o Total Fixed Income's -2.4% return outperformed its benchmark by 1.4%
- o Total Alternative's 3.0% return outperformed its benchmark by 11.5%

Notable Fund Performance

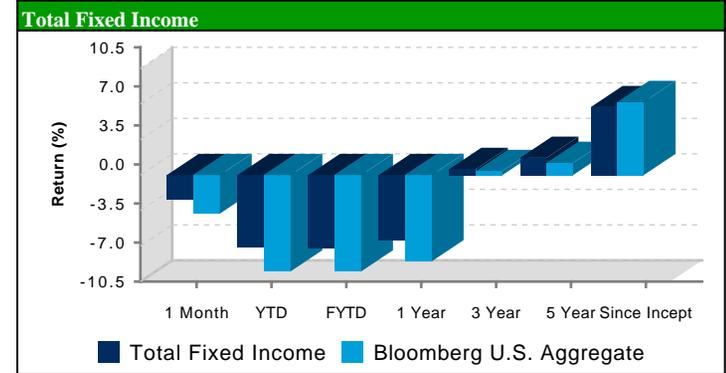
- o Pugh Capital returned -3.8%
- o Blackrock US Debt returned -3.8%

Compliance Updates

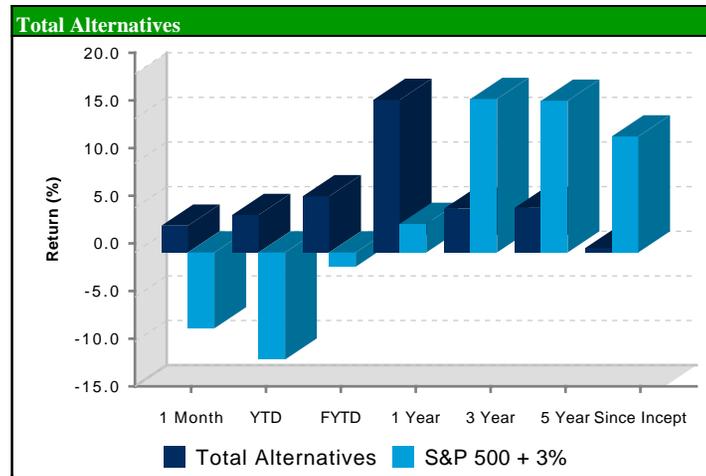
- o No updates for the month



	1 Month	YTD	FYTD	1 Year	3 Year	5 Year	Since Incept
Total Plan	-1.5	-5.0	-4.7	-2.5	2.2	4.4	8.3

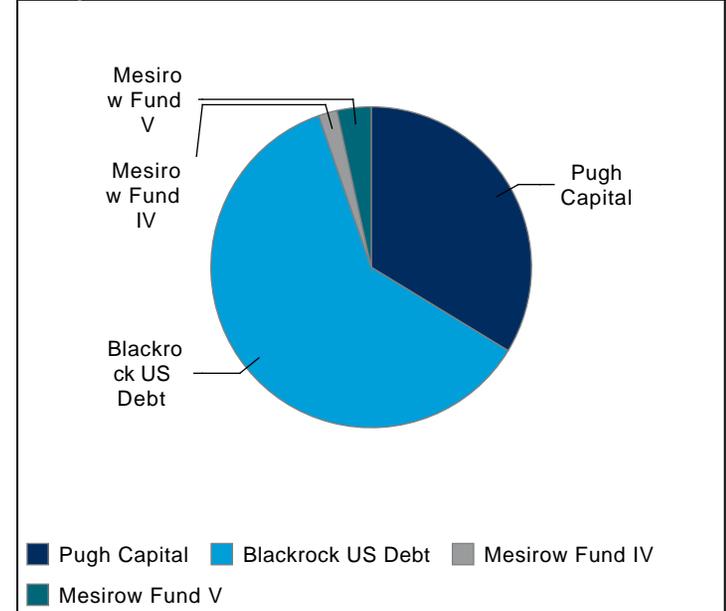


	1 Month	YTD	FYTD	1 Year	3 Year	5 Year	Since Incept
Total Fixed Income	-2.4	-7.1	-7.2	-6.4	0.6	1.7	6.7
Bloomberg U.S. Aggregate	-3.8	-9.5	-9.5	-8.5	0.4	1.2	7.2
Excess	1.4	2.4	2.3	2.1	0.2	0.5	-0.5



	1 Month	YTD	FYTD	1 Year	3 Year	5 Year	Since Incept
Total Alternatives	3.0	4.2	6.3	17.1	4.9	5.0	0.5
S&P 500 + 3%	-8.5	-12.0	-1.6	3.2	17.2	17.0	13.0
Excess	11.5	16.2	7.9	13.9	-12.4	-12.0	-12.5

Manager Allocation



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

GERs OF USVI

April 30, 2022

Monthly Cash Flow Update

Cash Flow

- o Ended month at approximately \$421.9 million*
- o No funds raised in the month of April
- o Proceeds from GERS Funding Note
 - \$89,198,738 received 04/8/2022

Investment Management/Custodian/Consulting Fees

- o \$99 thousand Calendar MTD
 - Investment management \$68 thousand
 - Investment consultant \$31 thousand
- o \$144 thousand Calendar YTD
 - Investment management \$68 thousand
 - Investment consultant \$62 thousand
 - Custodian bank \$14 thousand
- o \$246 thousand Fiscal YTD
 - Investment management \$139 thousand
 - Investment consultant \$93 thousand
 - Custodian bank \$14 thousand

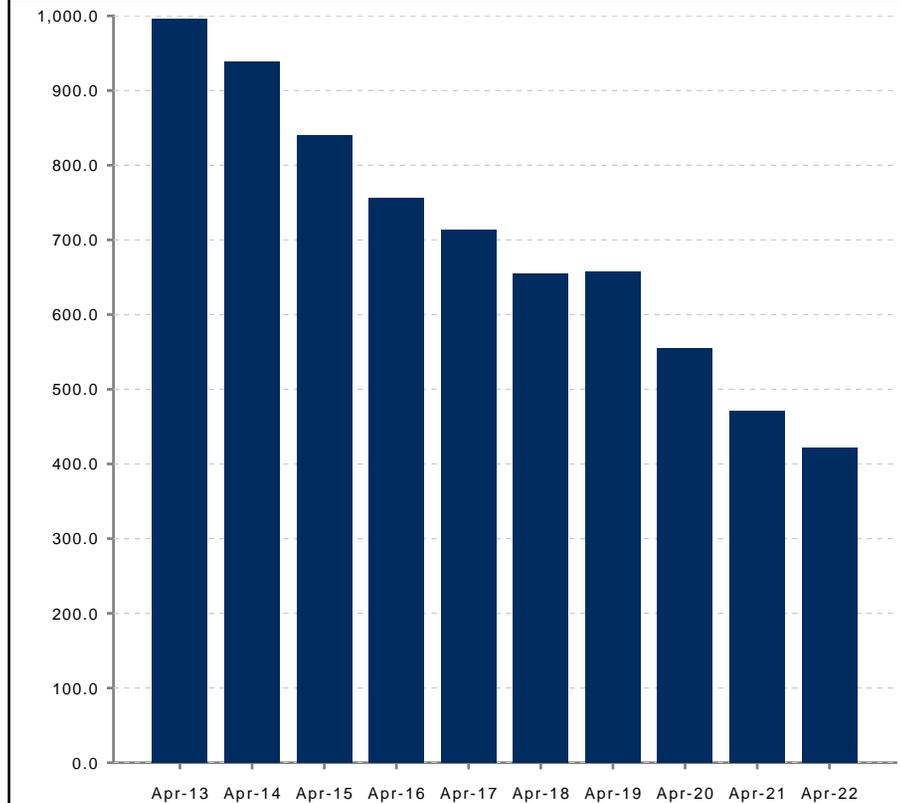
Securities Lending

- o MTD earnings \$350
- o YTD earnings \$1300
- o FYTD earnings \$2,800

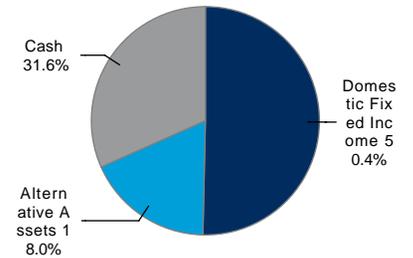
Record of Asset Growth

	<u>One Month</u>	<u>Year to Date</u>	<u>FYTD</u>	<u>One Year</u>
Total Plan				
Beginning Market Value	358,878,443	407,753,234	436,577,929	471,267,393
Net Cash Flow	69,130,679	34,116,915	4,046,147	-41,266,645
Income	2,694,414	3,880,229	5,120,083	6,463,973
Gain/Loss	-8,797,984	-23,844,826	-23,838,606	-14,559,168
Ending Market Value	421,905,552	421,905,552	421,905,552	421,905,552

Net Asset Value over Time (\$000)



Asset Allocation



Allocation Market Values

	<u>Ending Market Value in Millions</u>
Domestic Fixed Income	212.39
Alternative Assets	76.02
Cash	133.50

* Excludes: Members Loan Program - (MV) \$18.5 million, STT Office Complex - (MV) \$8 million, and STX Office Complex - (MV) \$3.3 million.

REGULAR

SESSION

DUE DILIGENCE REPORT FOR RFP FOR AUDIT SERVICES

S B & COMPANY

The due diligence of S B & Company (SBC) was conducted on May 11, 2022, at their office in Owing Mills, Maryland. Representing SBC at the meeting was Graylin Smith, Engagement Partner. Representing the GERS were Denise Jeremiah, Chief Financial Officer, Glenville Henderson, Investment Analyst, Cathy Smith, General Counsel, and Austin Nibbs, Administrator/CEO.

The purpose of the meeting with SBC was to conduct an interview/site visit as part of the due diligence process. SBC was one of the two CPA firms that responded to the RFP and met all of the requirements and qualifications there were set forth in the RFP. The other firm (KPMG) was disqualified because it did not meet the submission deadline. At the Board meeting held on April 21st, the Board authorized management to conduct the due diligence of SBC to audit the GERS for a period of five (5) years beginning with FY 2021.

The agenda for the meeting is attached. An overview of the three most important areas of the audit were presented. Denise Jeremiah, CFO, outlined in detail the type of financial reporting system(s) that are in place. Also, there was discussion on the internal control weaknesses reported in the FY 2020 audited report. Glenville Henderson, Investment Analyst provided an in-depth background on the structure of the GERS portfolio, the asset allocation (Dynamic), and the challenges regarding cash flow and liquidity that GERS have experienced over the years. Cathy Smith, General Counsel gave a historical prospective of legal action by GERS against the Plan Sponsor beginning in 1984 through the U.S. Court of Appeals, and the Settlement Agreement between the GVI and the GERS. The GERS Funding Note was also discussed – disclosure for FY 2021 and thereafter. The overview of these three areas spurred discussion and questions between the GERS team and SBC.

As part of the due diligence, interview questions were asked of SBC. All of the questions were answered to our satisfaction in detail by SBC during the overview by the team. A copy of the interview questions is attached.

The most important takeaway from the meeting is the timeline for performing the audit that was discussed with SBC and suggested by SBC. SBC proposed to begin the preliminary planning process and the through of the major programs the week of the May 23rd and 30th respectively and begin preliminary testing the week of June 13th. SBC (Mr. Smith) indicated that if there are no hiccups, the audit should be completed at least 8 weeks after the preliminary testing, which would be around the end of August or the middle of September 2022.

An evaluation sheet was prepared by each member of the team who attended the due diligence SBC scored 391 out of 400. We have received three of the four reference requests that were sent to their pension & trusts clients. Responding favorably and recommending the selection of SBC are Pennsylvania Public School Employee Retirement System, Maryland State Retirement & Pension System, and Montgomery County Employee Retirement System.

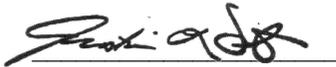
**DUE DILIGENCE REPORT FOR RFP FOR AUDIT SERVICES
S B & COMPANY
Page 2**

SBC would like to be invited to the Board Retreat.

Recommendation.

Based on the due diligence/site visit meeting, the due diligence committee recommends that:

The Board authorize the Administrator to contract with S B & Company to conduct audit services for the amounts proposed beginning with the FY 2021 audit.



Austin L. Nibbs
Administrator/CEO

5/16/22

Date

cc: Cathy M. Smith, Esq., General Counsel
Denise Jeremiah, CPA, Chief Financial Officer
Glenville Henderson, Investment Analyst

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM OF THE VIRGIN ISLANDS

"Contributing today for a better tomorrow"

AGENDA

MEETING WITH S B & COMPANY, LLC

OWING MILLS, MD

MAY 11, 2022

9:30AM

- | | |
|---|--|
| 1). Introductions | GERS / S B & Company |
| 2). Purpose of the Meeting | GERS |
| 3). Overview of GERS
Accounting & Financial Reporting
Investment Portfolio
Legal | Denise Jeremiah, CFO
Glenville Henderson, Investment Analyst
Cathy Smith, General Counsel |
| 4). Interview Questions | S B & Company |
| 5). Tour of Office | S B & Company |
| 6). Next Steps | GERS / S B & Company |
| 7). Adjournment | |

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM OF THE VIRGIN ISLANDS

"Contributing today for a better tomorrow"

**MEETING WITH S B & COMPANY, LLC
OWING MILLS, MD
MAY 11, 2022**

INTERVIEW QUESTIONS

- 1). The audit site is outside of the 48 contiguous states. Do you have other clients outside of the 48 contiguous states?
- 2). If our report recommends engaging SBC to conduct the audit and the Board authorizes management on May 19th to proceed with the engagement, what would be the timeline for audit planning meetings, discussions with management, collaboration with the predecessor auditor, reviewing of prior workpapers, mobilization, etc. through the issuance of an audit report?
- 3). As the new auditor, what steps would you take to ensure an orderly transition from the predecessor auditor?
- 4). Do you have any major accounting or auditing issues that you would like to discuss with management prior to your retention, which could be a condition of your retention?
- 5). I read on your website that SBC uses a *more pragmatic, risk-based approach* in the development of your firm. Could you explain what is meant by *a more pragmatic, risk-based approach*?
- 6). What risk assessment techniques will you use?
- 7). In reviewing our FY 2020 audit report, what high-risk audit issues have you identified and what is your planned audit approach for these issues?
- 8). What criteria will you use to determine materiality?

9). I am sure that you had a chance to read the FY 2020 audit report which was issued by the predecessor auditor (Bert Smith & Company). Although, some Covid-19 protocols have been lifted in the U.S., Virgin Islands, some of the staff are working remotely, and our offices on both islands (St. Thomas and St. Croix) have not opened our doors as yet to our members or outside service providers. We communicate via email, Zoom, or Microsoft Teams. As the new auditor, how do you see this affecting your audit planning and audit process?

10). Has SBC ever experienced a high turnover in the middle management?

11). In the predecessor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, internal control deficiencies were identified (loans, census/participant data, recordkeeping, and information technology) and considered to be significant deficiencies. How will you determine the effectiveness of these internal controls?

From: Shawna Richards <srichards@legvi.org>
Sent: Monday, May 9, 2022 5:27 PM
To: Nibbs, Austin L. <anibbscpa@usvigiers.com>
Cc: Smith, Cathy <csmith@usvigiers.com>; Novelle Francis <nfrancis@legvi.org>
Subject: Feedback Requested on Proposed Legislation

Good day Mr. Nibbs,

I am writing on behalf of Senator Novelle E. Francis, Jr., to request your input on the attached legislation. Some time ago, our office was approached regarding legislation that would suspend GERS benefits to persons who are incarcerated. The draft legislation is modeled after Social Security Administration (SSA) practices. At this time, there is a significant concern that needs to be addressed before our office can proceed.

According to our Legal Counsel's research, under the Social Security Administration's rules it is the prisoner's responsibility to advise the SSA of that person's incarceration (this provision is included in the attached draft). The SSA has prerelease agreements with penal institutions whereby these institutions advise the SSA when prisoner is being released. However, we have been unable to find any literature regarding an institution's need to advise the SSA when a prisoner has first been admitted for incarceration at a facility and do not know how individual states handle these matters. Of course, for annuitants confined in the Virgin Islands, an affirmative duty may be placed on the Bureau of Corrections to notify the GERS of who is incarcerated at the time of enactment of the provision and routinely thereafter.

We are hoping you can provide some guidance on how GERS could potentially handle those annuitants who are incarcerated outside of the territory. Specifically, how would the GERS be informed of an annuitant's confinement other than by the annuitant, especially in facilities outside the Virgin Islands? For those persons who are incarcerated, what would the consequences be, if any, for failure to report?

Your response is appreciated by Monday, May 16, 2022. Please do not hesitate to contact me with any questions.

Regards,

Shawna K. Richards
Chief of Staff
Office of Sen. Novelle E. Francis, Jr.
o. (340)712-2324
FOCUS FORWARD!

BILL NO.

Thirty-Fourth Legislature of the Virgin Islands

An Act amending title 3 Virgin Islands Code, chapters 27 and 28A, by adding sections 724a and 770c respectively, providing for the forfeiture of the retirement annuity for persons convicted and confined on a felony charge during that person confinement

PROPOSED BY: Senator Novelle E. Francis, Jr.

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

2 **SECTION 1.** Title 3 Virgin Islands Code, chapter 27, is amended by adding a section
3 724a and title 3 Virgin Islands Code, chapter 28A, by adding sections 724a and 770c,
4 respectively, that reads as follows:

5 § ____ **Requirement to report confinement; nonpayment of benefits to prisoners**

6 (a) Any person who is receiving a retirement annuity from the System and has been
7 sentenced to a term of confinement for a period of more than one year in a jail, prison, or
8 other penal institution or correctional facility shall notify the System of the term of
9 confinement not later than ____ days after sentencing.

10 (b) No monthly retirement annuity will be paid to any person for any month any part of
11 which the person is confined in a jail, prison, or other penal institution or correctional
12 facility for conviction of a felony.

1 (c) An offense will be considered a felony if—

2 (1) It is a felony under applicable law: or

3 (2) In a jurisdiction which does not classify any crime as a felony, it is an offense
4 punishable by death or imprisonment for a term exceeding one year.

5 (d) In general, a jail, prison, or other penal institution or correctional facility is a facility
6 which is under the control and jurisdiction of the agency in charge of the penal system, or
7 in which convicted criminals can be incarcerated. Confinement in such a facility
8 continues as long as the person is under a sentence of confinement and has not been
9 released due to parole or pardon. A person is considered confined even though that
10 person is temporarily or intermittently outside of that facility on work release, attending
11 school, or hospitalized, or for any other authorized purpose.

12 **BILL SUMMARY**

13 This bill provides for the forfeiture of a retirement annuity for persons convicted and
14 confined on a felony charge during that persons confinement.

15 **BR21-0789/May 9, 2022/SLR**

16

17

18

Selected State Policies Governing Termination or Garnishment of Public Pensions



Alabama	Act 2012-412 requires members of TRS, ERS and JRF convicted of a felony offense related to their public position to forfeit their right to lifetime retirement benefits. However, the employee would receive a refund of his or her retirement contributions. This legislation is not retroactive and does not affect any member that has already been found guilty of an offense.
Alaska	A public officer, legislator, or a person employed as a legislative director, who is convicted of a federal or state felony, bribery, receiving a bribe, perjury, subornation of perjury, scheme to defraud, fraud, mail fraud, misuse of funds, corruption, or evasion may not receive a state pension benefit if the offense was in connection with the person's duties. Pension benefits and employee contributions that accrue to a person the date of the person's commission of the offense are not diminished or impaired. The act excludes insurance, voluntary wage reductions, involuntary wage reductions, or supplemental or health benefits and member or employee contributions from the forfeiture, and provides protection for certain spousal or dependent benefits, depending upon circumstances including spousal complicity. The law also provides that a person whose offense results in a pension forfeiture may not subsequently accrue service credit in public service.
Arkansas	A retirement system beneficiary convicted of murdering a member of a public retirement system in the state forfeits their right to a benefit from that system.
California	<p>This law, applicable to any person elected or reelected to public office on or after Jan. 1, 2006, provides for forfeiture of all rights and benefits under, and any membership in, any public retirement system in which the person is a member, effective on the date of final conviction for certain felonies.</p> <ul style="list-style-type: none"> • Applies to any felony involving accepting or giving, or offering to give any bribe; the embezzlement of public money; extortion or theft of public money; perjury; or conspiracy to commit any of these crimes • Applies only if the felony arises directly out of the public officer's official duties Forfeiture only of that portion of the rights and benefits accrued on or after Jan. 1, 2006, on account of the service in the elected public office held when the felony occurred • Provides for return of employee contributions without interest • If the governing body of the elected public officer's employer authorizes the public officer to receive the rights and benefits despite the felony conviction, then no forfeiture occurs.
Colorado	Public pension assets may be garnished “for restitution for the theft, embezzlement, misappropriation, or wrongful conversion of public property, or in the event of a judgment for a willful and intentional violation of fiduciary duties to a public pension plan where the offender or a related party received direct financial gain.” Per COPERA: This statute “does not <u>explicitly</u> require a Colorado member to forfeit their PERA benefit.”
Connecticut	A state judge may revoke or reduce state and municipal pensions for criminal convictions arising out of on-the-job corruption regarding embezzlement of public funds; felonious theft from the state, a municipality or quasi-public agency; bribery; or felonies committed through the misuse of a government office or job. The law requires that the state attorney general apply for a court order to reduce or revoke a pension. Effective October 1, 2008.
Delaware	A surviving beneficiary convicted of murdering a member of a public retirement system in the state forfeits their right to a survivor benefit.
District of Columbia	No law enabling forfeiture of a public pension.

Selected State Policies Governing Termination or Garnishment of Public Pensions



Florida	Members of public pension plans must forfeit their entitlement to future retirement benefits when they commit certain crimes, including commission of any felony under laws governing misuse of public office, any felony against a victim younger than 16 years of age, or any felony involving sexual battery against a victim younger than 18 years of age, or by a public officer or employee through the use or attempted use of power, rights, privileges, duties, or position of his or her public office or employment position.
Georgia	Georgia law stipulates that if a public employee commits a public employment related crime on or after July 1, 1985, and is convicted of such crime, the employee's membership in any public retirement system is terminated as of the date of final conviction.
Hawaii	Statute provides for the forfeiture of one-half of the ERS benefits of an ERS member, former member, or retiree upon conviction of the member for a felony related to their state or county employment. Statute further prohibits designated beneficiaries from receiving benefits if convicted under a felony under the same set of circumstances as the individual who was subject to forfeiture of ERS benefits.
Idaho	No law enabling forfeiture of a public pension.
Illinois	No public pension benefits "shall be paid to any person, any person who otherwise would receive a survivor benefit, who is convicted of any felony relating to or arising out of or in connection with his or her service as a member." The trustees of each pension fund make the determination if the felony plea of conviction of the member met this standard. Those convicted of a felony may receive their contributions.
Indiana	Upon conviction of a misdemeanor or felony, a "member's contributions or benefits, or both, may be transferred to reimburse his employer for loss resulting from the member's criminal taking of his employer's property by the board if it receives adequate proof of the loss."
Iowa	No law enabling forfeiture of a public pension.
Kentucky	Statute provides that any "member hired on or after August 1, 2002" who is convicted of a felony that is related to his or her employment shall forfeit his or her retirement benefits, and shall be entitled instead only to a refund of his or her account balance with any accumulated interest. An appeal will stay the payment of the forfeited retirement allowance, and in the event that the appeal overturns the conviction the member is entitled to all retirement benefits. KRS 161.470(5)(e)
Louisiana	Pension benefits may be garnished for misconduct associated with service as an elected official or public employee for which credit in the system, plan, or fund was earned or accrued.
Maine	Courts may order forfeiture of pension benefits of those convicted or pleading guilty to a crime committed in connection with the member's public office or public employment. Also, amounts credited to the account of a member of the retirement system are available to pay any court-ordered restitution for economic loss suffered by the State or a political subdivision of the State as the result of the crime.
Maryland	Public employees who are convicted of a felony in the commission of their public duties forfeit their retirement benefit.
Massachusetts	Generally, retirement boards are required to deny or rescind the pensions of any public employee convicted of a crime related to his or her duties. A member may be entitled to receive their accumulated retirement contributions. In certain instances a member of a retirement system could be subject to forfeiture of any rights to benefits or their accumulated retirement contributions. Separately, a retirement board is required to suspend a disability retirement allowance for the period a member is incarcerated as a result of a felony conviction http://www.mass.gov/legis/laws/mgl/32-15.htm

Selected State Policies Governing Termination or Garnishment of Public Pensions



Michigan	<p>“A member or retirant who is convicted of or who enters a <i>nolo contendere</i> plea accepted by a court for a felony arising out of his or her service as a public employee is considered to have breached the public trust and may have his or her rights to an otherwise vested retirement benefit and all accumulated contributions standing to that person's credit in the retirement system forfeited as provided in this act. This act applies only to the retirement system of which the person was a member or retirant at the time the felony was committed and only to the retirement system established by the entity affected by the felony” The statue provides for the forfeiture of benefits accrued to the member or retirant “after the time the act or acts that resulted in the felony were committed.”</p>
Minnesota	<p>Minnesota statutes forbid a survivor convicted of causing the death of a public pension plan member, from collecting survivor benefits under that account. If convicted, the benefit is forfeited and the pension plan can attempt to recover the benefit previously paid.</p>
Mississippi	<p>No law enabling forfeiture of a public pension.</p>
Missouri	<p>Effective 8/28/14, a participant in a public employee retirement system established by the state or any political subdivision who is found guilty of a felony committed in direct connection with or directly related to the participant's duties is ineligible to receive any retirement benefits from the system. The participant may request a refund of his or her contributions to the system including any credited interest. Effective 8/28/99, any member who serves as a member of the general assembly or as a statewide elected official, shall not be eligible to receive any retirement benefits from the system ... if such member is convicted of a felony that is determined by a court of law to have been committed in connection with the member's duties either as a member of the general assembly or as a statewide elected official, unless such conviction is later reversed by a court of law. Also, any board member, plan participant, or employee who is found guilty of a plan-related felony is prohibited from receiving a benefit from the plan.</p>
Montana	<p>Nothing regarding malfeasance in office or employment-related criminal conduct unless disability or death result. 19-2-804. Limitations on payment of benefits to person causing member's death or disability. If a person is convicted of knowingly, purposely, or intentionally causing a (retirement system) member's death or disability, that person may not receive benefits or payments from a retirement system and the benefits must be payable as otherwise provided in statute. 19-2-906. Limitations on disability or survivorship benefits. If the board determines that the disability or death of a (retirement system) member of a defined benefit plan is proximately caused by the gross negligence, willful misconduct, or violation of the law by the member, the board may revoke, suspend, or refuse to grant benefits except an annuity that is the actuarial equivalent of the member's accumulated contributions with regular interest to the day the benefit commences.</p>
Nebraska	<p>No law enabling forfeiture of a public pension.</p>
Nevada	<p>For persons who become members of PERS, JRS or LRS on or after 7/1/15, retirement benefits are forfeited (with limited exceptions) among conviction or plea of guilty to a felony. For all others, retirement benefits can be voided only in cases involving a person convicted of murder or making a false statement in order to receive benefits.</p>
New Hampshire	<p>Per state law, the NHRS board is authorized to correct the benefit level and to adjust future payments so that the actuarial equivalent of overpayments shall be repaid, for any person whose benefit is affected through false statements or falsification of records of the retirement system.</p>
New Jersey	<p>The board of trustees of any State or locally-administered pension fund or retirement system is authorized to order the forfeiture of all or part of the pension or retirement benefit of any member of the fund or system for misconduct occurring during the member's public service which renders the member's service or part thereof dishonorable. Also, public officers or employees convicted of certain crimes—including sex-related</p>

Selected State Policies Governing Termination or Garnishment of Public Pensions



offenses—involving or touching their office or employment face mandatory forfeiture of pension and retirement benefits. Contributions are considered part of the employee's salary and not part of the pension benefit. A state, county or local employer participating in a pension fund or retirement system would be responsible for reimbursement to the pension fund or retirement system of all pension costs incurred by the pension fund or retirement system following any settlement agreement between the employer and an employee that provides for the employer not to pursue any civil or criminal charges or an action for misconduct against the employee.
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Selected State Policies Governing Termination or Garnishment of Public Pensions



New Mexico	Elected and appointed officials may be fined an amount up to their total salary and pension benefits if they are convicted of felony corruption charges.
New York	For crimes committed on or after 1/1/18, a judge may strip or reduce the pension of a public official convicted of a felony related to their official duties. Public official is defined as any elected official, state official appointed by the governor, judge and certain employees involved in policy making. For crimes committed prior to the effective date, those convicted of a felony related to their public office who entered the public retirement system after Nov. 12, 2011, can have their pensions stripped.
North Carolina	Elected officials who are members of the Legislative Retirement System, the Local Governmental Employees' Retirement System, the Teachers' and State Employees' Retirement System, or the Consolidated Judicial Retirement System shall forfeit their pensions upon conviction of a State or Federal offense involving public corruption or a felony violation of election laws. Member contributions will be returned.
Ohio	Ohio Revised Code Section 2929.192 provides for forfeiture of retirement benefits by a member who was serving in a position of honor, trust, or profit after conviction for bribery, theft in office, and engaging in a pattern of corrupt activity. This forfeiture applies to all of the five (5) public pension plans in Ohio. Ohio Revised Code Section 3307.373 provides for forfeiture for members of the State Teachers Retirement System of Ohio convicted of rape, sexual battery, unlawful sexual contact with a minor or gross sexual imposition if the victim was a student
Oklahoma	State & county officers and employees are removed from office and lose their jobs upon conviction of a felony in state or federal court. If the crime involves a "violation of the oath of office," their pension is forfeited for any service earned after 1981 (the original effective date of the law).
Oregon	No law enabling forfeiture of a public pension.
Pennsylvania	A public employee convicted of using his or her position or office to commit a crime relating to theft, bribery, forgery, perjury, etc., or who is convicted of a state felony or other crime punishable by five or more years in prison, forfeits their right to receive the employer-funded portion of their public pension benefit. Such employees may receive their contributions, without interest, and contributions may be reduced to pay fines and make restitution associated with their conviction. Although a felony, conflict of interest does not result in an automatic forfeiture of pension benefits. Also,
Rhode Island	“Any retirement or other benefit or payment of any kind to which a public official or public employee is otherwise entitled ... shall be revoked or reduced, ... if, the public official or public employee is convicted of or pleads guilty or nolo contendere to any crime related to his or her public office or public employment. Any such conviction or plea shall be deemed to be a breach of the public officer's or public employee's contract with his or her employer.”
South Carolina	Retirement benefits payable from the Retirement Systems are generally not subject to garnishment, attachment or other legal process. However, a lien can be made against a member's retirement benefits if the member is convicted of embezzlement of public funds pursuant to Section 8-1-115 of the S.C. Code of Laws.
South Dakota	No law enabling forfeiture of a public pension.
Tennessee	For employees hired or elected after July 1, 1982 and convicted in state court of malfeasance in office felony, pension is forfeited. For employees hired after May 30, 1993 and convicted in state or federal court of malfeasance in office felony, pension is forfeited. Elected officials elected or re-elected beginning in 2006 or after, such election should be deemed to be consent to forfeiture without respect to the original membership date.

Selected State Policies Governing Termination or Garnishment of Public Pensions



Texas	Elected officials who participate in the ERS of Texas and who are convicted of certain qualifying felonies associated with corruption or abuse of office, lose eligibility for their pension benefit.
Utah	Public employees convicted of a felony related to the performance of their position shall forfeit their retirement benefit.
Vermont	The Attorney General or State's Attorney is required to petition a judge to order the partial or total civil forfeiture of retirement payments to public officials convicted of crimes related to their employment.
Virginia	From Virginia statutes: "No member shall be entitled to the benefits of this subsection if his employer certifies that his service was terminated because of dishonesty, malfeasance, or misfeasance in office. The certification may be appealed to the Board." For elected officials, a member of the state house or senate would be required to certify that service was terminated for reasons of malfeasance.
Washington	No general provision for forfeiture of a pension. There is a "slayer provision" that will preclude a person from receiving a pension as the beneficiary of a person that they are convicted of killing.
Wisconsin	2019 Wisconsin Act 71 authorizes the Department of Employee Trust Funds (ETF) to withhold money from a participant's Wisconsin Retirement System (WRS) annuity or lump sum payment if ETF is ordered to do so by a court in a restitution order. ETF is required under the act to deliver any amount that it withholds in accordance with the restitution order. The act also specifically provides that a court's restitution order may require ETF to withhold the amount of restitution from any payment of the defendant's WRS annuity or lump sum and deliver any amount that is withheld in accordance with the current process for delivering restitution payments ¹ , if all of the following apply: The crime for which the restitution is ordered is both theft and misconduct in public office; the crime resulted in loss of property for the defendant's employer that participates in the WRS; and the value of the property exceeds \$2,500. Wisconsin law also permits annuity payments and lump sum payments to have child support withheld and may be attached to satisfy delinquent tax obligations. Also, "corrections" may be made to service credits, contributions, premium payments and benefit payments if the amounts on record for an employee are the result of fraud.
Wyoming	No law enabling forfeiture of a public pension.

EXECUTIVE

SESSION



HAVENSIGHT

M A L L

Landlord:	Government Employees Retirement System of the Virgin Islands (“GERS”)
Tenant:	Port of Sale, Inc., a U.S. Virgin Islands Entity
Premises:	Lease Area 1-C on Parcel 1 Estate Thomas, No. 6F New Quarter
Current Expiration Date (including extensions):	March 16, 2045
Current Remaining Term:	23 years
Proposed Expiration Date:	March 16, 2065
Current Rental Rate:	\$41,113.44 monthly / \$6.20 per square foot. This figure is net of credit card premiums per the existing Building and Lease Agreement.
Proposed Rental Rate:	The revised ground rent shall be reset to \$45,280.11/monthly and \$6.83 per square foot, an immediate increase of 10%. This figure is net of credit card premiums per the existing Building and Lease Agreement.
Shared Infrastructure Fund:	Following the execution of the lease amendment, Tenant shall commit to pay upon request up to \$150,000 to be used for shared electrical infrastructure improvements between Landlord and Tenant.
Escalations:	In accordance with terms of the existing Building and Lease Agreement.
Real Estate Taxes:	Not applicable pursuant to the existing Building and Lease Agreement.
Expenses:	Tenant, at its sole cost and expense, shall manage and maintain the Premises. Tenant will be responsible for security and maintenance of the Premises
Utilities:	Tenant shall be responsible for the cost of all utilities used or consumed on the Premises, in accordance with terms of the existing Building and Lease Agreement.
Landlord Work:	None required.

Amendment Execution: Tenant and Landlord will endeavor to fully negotiate and execute this lease extension amendment within 30 days from execution of this LOI.

Covenants: The lease shall remain subject to the provisions of the existing Building and Lease Agreement, including affirmative, maintenance, financial and insurance covenants.

Review-grade substantiation of gross income shall be required annually.

Events of Default: Pursuant to the terms of the existing Building and Lease Agreement.

Default Remedies and Waivers: Pursuant to the terms of the existing Building and Lease Agreement.

Governing Law: All agreements shall be governed by U.S. Virgin Islands law.

Confidentiality: Landlord and Tenant expressly warrant and agree that the terms and conditions of this LOI, together with any discussions, negotiations, and or agreements arising out of this LOI shall be deemed confidential information and shall not be disclosed without the express prior written consent of the Landlord and Tenant.

The above-mentioned terms are a reflection of the parties' understanding of the general terms of the proposed transaction and upon which understanding the parties are willing to proceed with an amendment to the existing Building and Lease Agreement.

Port of Sale, Inc

Government Employees' Retirement System

Date: May __, 2022

May __, 2022

By: _____

By: _____



GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM OF THE VIRGIN ISLANDS
PROPOSED SALARY NEGOTIATED GUIDELINES

WAGE AGREEMENT - GERS

Step, Step, Step, Step				Total Salary	
Fiscal Year	Salary Increase	Fringe	Total Cost	Total Salary	
2023	Cost				
USW (39)	\$112,258	\$47,148	\$159,406	\$ 7,098,574	Total Current FY 2022 Salary & Fringe
Exempt (26)	\$78,000	\$32,760	\$110,760	\$ 270,166	FY 2023 Salary Increase w/ Fringe
1 step	\$190,258	\$79,908	\$270,166	\$ 7,402,940	Total Current FY 2023 + UIW-SIU Bonus
Fiscal Year	Salary Increase	Fringe	Total Cost	Total Salary	
2024	Cost				
USW (39)	\$ 104,625	\$ 43,943	\$ 148,568	\$ 7,366,940	Total Current FY 2023 Salary & Fringe
UIW-SIU (8)	\$ 29,400	\$ 12,348	\$ 41,748	\$ 301,076	FY 2024 Salary Increase w/ Fringe
Exempt (26)	\$ 78,000	\$ 32,760	\$ 110,760		
1 step	\$212,025.00	\$89,050.50	\$301,076	\$ 7,668,016	Total Current FY 2024
Fiscal Year	Salary Increase	Fringe	Total Cost	Total Salary	
2025	Cost				
USW (39)	\$ 106,588	\$ 44,767	\$ 151,355	\$ 7,668,016	Total Current FY 2024 Salary & Fringe
UIW-SIU (8)	\$ 27,513	\$ 11,555	\$ 39,068	\$ 301,183	FY 2025 Salary Increase w/ Fringe
Exempt (26)	\$ 78,000	\$ 32,760	\$ 110,760		
1 step	\$212,101.00	\$89,082.42	\$301,183	\$ 7,969,199	Total Current FY 2025

Wage Agreement - Havensight Mall

Step, Step, Step, Step				Total Salary	
Fiscal Year	Salary Increase	Fringe	Total Cost	Total Salary	
2023	Cost				
USW (11)	\$27,764	\$11,661	\$39,425	\$ 2,078,780	Total Current FY 2022 Salary & Fringe
Exempt (17)	\$51,000	\$21,420	\$72,420	\$ 111,845	FY 2023 Salary Increase w/ Fringe
1 step	\$78,764	\$33,081	\$111,845	\$ 2,190,625	Total Current FY 2023
Fiscal Year	Salary Increase	Fringe	Total Cost	Total Salary	
2024	Cost				
USW (11)	\$27,226	\$11,435	\$38,661	\$ 2,190,625	Total Current FY 2023 Salary & Fringe
Exempt (17)	\$51,000	\$21,420	\$72,420	\$ 111,081	FY 2024 Salary Increase w/ Fringe
1 step	\$78,226	\$32,855	\$111,081	\$ 2,301,706	Total Current FY 2024
Fiscal Year	Salary Increase	Fringe	Total Cost	Total Salary	
2025	Cost				
USW (11)	\$27,757	\$11,658	\$39,415	\$ 2,301,706	Total Current FY 2024 Salary & Fringe
Exempt (17)	\$51,000	\$21,420	\$72,420	\$ 111,835	FY 2025 Salary Increase w/ Fringe
1 step	\$78,757	\$33,078	\$111,835	\$ 2,413,541	Total Current FY 2025