

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

**St. Thomas/St. Croix
Thursday, January 25, 2024
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: 12/19/23)
- 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. REGULAR SESSION
 - A. New Business
 - (i). Personal Loan Program Restart

XIII. EXECUTIVE SESSION

This portion of the meeting will be closed to the public for matters pertaining to trade secrets / or financial or commercial information/ or personal/ or legal matters; or matters whose premature disclosure will frustrate the implementation of the proposed agency action.

- A. New Business
 - (i). Medical Review Committee Recommendations
- XIV. Privileges of the Floor
- XV. Adjournment

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

January 25, 2024

The Regular Meeting of the Board of Trustees for January 25, 2024, was called to order at 9:38 a.m. At roll call, Trustees present were Bowry, Dorsey, Smith, and Callwood. The meeting was held via Zoom. Trustees not present during roll call were Liger, Russell, and Director Richardson (ex-officio). A quorum was established with 4 voting Trustees present. Trustee Russell joined the meeting after roll call.

Staff in attendance: Angel E. Dawson, Administrator/CEO, Acting General Counsel, Ishmael Meyers, Denise Jeremiah, Chief Financial Officer, Asiah Clendinen Gumbs, COO, Ms. Shoran D. C. Sasso, Director of Member Services, Glenville Henderson, Investment Analysts, LeSean Moses, IT, Zaida Castro, Executive Assistant to the Administrator, Nikia Coley, Administrative Assistant to the Board

Also, present in the meeting were Pedro K. Williams, Board Counsel, and Ms. Mary L. Moorehead who joined remotely.

The zoom recording will be provided to Ms. Desiree Hill, Stenographer, who was not present at the meeting.

Comments and Suggestions from Retirees

Ms. Mary Moorehead was acknowledged and she requested that her E-Mail sent on Tuesday, January 23rd be read into the record in anticipation of the board meeting.

Administrator Dawson read into the record Ms. Mary L. Moorehead's email. In summary, the e-mail asked the following questions: (1) Have the trustees agreed on a limit to be offered for the Loan program? Will drawdown from investments be controlled not to affect the rate of return from investments? (2) Have Trustees increased the percentage of the loan program and how much?

Ms. Annette Phillips (Sergeant – Retired) requested assistance regarding a payroll non-deducted insurance matter. Chairman Callwood requested Sergeant Phillips to submit the correspondence to Administrator Dawson.

Comments and Suggestions from Active Members

None

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Secretary's Minutes (Regular Board Meeting): 12/19/2023)

A motion was made by Trustee Smith to accept the minutes of December 19, 2023, and seconded by Trustee Bowry. The motion passed with 3 Yes (Bowry, Smith, and Callwood), 2 Absent (Liger and Russell), and 1 not-voting (Dorsey)

Communication and Correspondences

None

Chairman's Report

On January 10th a meeting was held with Governor Bryan and discussed the rum cover over revenues and the restart of the loan program.

Meetings, Presentations, and Appearances

December 18	Havensight Mall Christmas Tree Lighting
December 19	GERS Board of Trustees Regular and Executive Meetings
December 20	IDEAS Meeting and Presentation
January 3	Meeting with Segal
January 9	Meeting with Loans Team
January 10	Meeting with Governor Bryan
January 11	Meeting with Havensight Mall Team
January 18	GAO Exit Conference
	Meeting with Havensight Mall Team
January 22	Attend State of the Territory Address
January 23	Direct Reports Meeting
January 23	Meeting re. Greenspace at Havensight Mall
January 24	Meeting with Quantum Technology Group

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Member Services

Retirement Applications - as of December 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>2024</u>	<u>Total</u>
STX	147	111	118	177	143	114	165	141	130	20	
STT	<u>147</u>	<u>164</u>	<u>127</u>	<u>224</u>	<u>172</u>	<u>126</u>	<u>178</u>	<u>184</u>	<u>149</u>	7	
Total	294	275	245	401	315	240	343	325	279	27	
Processed	<u>293</u>	<u>275</u>	<u>245</u>	<u>401</u>	<u>315</u>	<u>240</u>	<u>342</u>	<u>320</u>	<u>177</u>	0	
Remaining	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>5</u>	<u>102</u>	<u>27</u>	<u>136*</u>
% Completed	99%	100%	100%	100%	100%	100%	99%	98%	63%	0%	

Compliance and Control - Contribution

Processing October 1, 2023 – December 31, 2023

Refunds

	<u>No. Cases Completed</u>	<u>Total Amount</u>	<u>No. of Cases Pending</u>
Regular	105	\$1,986,396.04	35
Erroneous	1	1,269.24	9
Employer Share	0	0.00	3
Overpayment	<u>87</u>	<u>\$ 177,996.80</u>	<u>2</u>
Total	<u>193</u>	<u>\$2,165,662.08</u>	<u>49</u>

Death Benefits

<u>Types</u>	<u>No. Completed</u>		<u>Amount</u>		<u>No. of Cases Pending</u>
	<u>10/1/23-12/31/2023</u>		<u>10/1/23-12/31/2023</u>		
Active	11		\$ 824,480.09		37
Retired	<u>3</u>		<u>130,910.77</u>		<u>4</u>
Total	<u>14</u>		<u>\$ 955,390.86</u>		<u>41</u>

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Accounting Department

Annuity Payments

No. of retirees as of January 12, 2024, payroll: **8792**

Cumulative dollar paid out from October 1, 2023 – January 12, 2024

700	Pensioners	\$0.00	
702	Service Retirement Annuities	76,385,357.60	
703	Survivors' Annuities	482,226.98	
704	Duty-Connected Death Annuities	747.67	
705	Duty-Connected Disability Annuities	915,802.91	
706	Non-Duty Disability Annuities	453,143.27	
	Totals		78,237,278.43

Number of retirees added to payroll from October 1, 2023 – January 12, 2024. **108**

Number of retirees added to the payroll for the January 12, 2024, pay date. **12**

Number of retirees expected to be placed on payroll for January 31, 2024, pay date: **8**

Number of retirees deleted from payroll from October 1, 2023, through January 12, 2024: **76**

Note: As of 1/12/24 payroll, the Gross Retiree Payroll has arrived at **\$ 11,214,734.79**

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LOAN SERVICING MONTHLY REPORT DECEMBER 2023

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM LOAN PORTFOLIO

UNITS

PERSONAL LOANS	DATE		
	12/31/2023	STT/STJ	STX
Active Personal Loans	317	189	128
Retiree Personal Loans	402	227	175
	719	416	303

MORTGAGES			
Construction/Home Improvement	20	12	8
Land	23	20	3
Purchase/Refinance	28	20	8
Auto Loan	1	1	0
Totals	72	41	11

TOTAL LOANS & MORTGAGES	791	417	303
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TOTAL OUTSTANDING

December 2023

	Total	STT/STJ	STX
Active PL -	\$ 2,280,684.23	\$ 1,406,933.80	\$ 873,750.43
Retiree PL -	2,263,324.81	1,276,656.85	986,667.96
Purchase/Refi -	1,225,801.28	892,073.43	333,727.85
Construction	1,887,056.17	1,197,335.64	689,720.53
-	391,310.82	343,588.88	47,721.94
Land Loans -	7,727.74	\$7,727.74	-
Auto	\$ 7,656,866.49	\$ 4,772,999.72	\$ 2,883,866.77

GRAND TOTAL

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Operations

St. Croix Office Complex

No major issues other than ongoing maintenance.

St. Thomas Office Complex

BUILDING:

Air Conditioner Project

Central Air has provided warranty agreement and completed AC project.

PROJECTS PENDING:

- In-Process: Complete the sanding and spraying of the window trims on the west side first floor.
- In-Process: Strip the excess wax on lobby floors and corridors.
- In-Process: Power wash covered parking ceiling.
- In-Process: Adcon Environmental cleaning, disinfecting, and sanitizing all GERS occupied spaces after results from mold testing.

UPCOMING:

- Fill potholes in covered parking areas.
- Touch up paint on the exterior.

OTHER ONGOING PROJECTS

New GERS Main Generator

- Build a foundation and extend the room. **(Work in progress)**

Warehouse J

Warehouse J completed. DPNR approved occupancy. Awaiting meters from WAPA.

Hotel Development

Major plumbing and electrical groundwork started and vertical work to begin.

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GENERATORS

Update- Harlon Hibbert of DPNR – CZM Division visited Havensight Mall Generator Yard on January 22, 2024, for the inspection in anticipation of CZM minor permit approval by February 9th.

A Portion of Overhang (cantilever) collapsed at Havensight Mall Dolly Deck

GERS to contact contractors for invitation to bid. IFB finalization in progress.

Havensight Mall Strategic and Infrastructure Plan - RFP

IDEAS submitted a preliminary plan and engaged the HMOC. The team identified “Low hanging fruits” and the work continues to complete the project. Next step is the market analysis and survey.

Havensight Mall Waterline Replacement and Rehabilitation – Engineering Design Services – RFQ

Update – An extension document drafted as the underground GPR company from Florida has been delayed in completion. The company is scheduled to be on the island on January 22, 2024.

Office Buildings Rental and Electricity Collections – Exhibit A

	<u>December 2023</u>	<u>Total FYTD</u>	<u>Arrearages</u>
Rental	\$38,442.55	\$299,689.33	\$154,252.71
Electric	\$795.82	\$118,280.59	\$152,889.78
Total	\$39,238.37	\$417,969.92	\$307,142.49

LEASES

Casino Control Commission - Lease Negotiations continue. Sent updated version on January 19, 2024.

Department of Justice – Property and Procurement is still awaiting fiscal information for DOJ to process the additional Purchase orders required to execute the lease.

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Questions from Trustees to Administrator Angel E. Dawson Jr.

Trustee Dorsey asked if GERS has in place an account where monies can be drawn down when tenants face a challenge with timely payment. Permission was granted to Senior Deputy Administrator Clendinen Gumbs to respond. She explained that Property and Procurement required from government agencies purchase orders with their leases as proof that funding exists to draw down payment. The agencies have complied.

Committee Reports.

- (a) Investment Committee – Chairman Callwood – Met on Tuesday to discuss financial reports with consultants and restart of the personal loan program. The committee agreed on a consensus of the loan program and the Resolution will be shared at today's meeting.
- (b) Development Committee – Trustee Russell – No Report
- (c) Budget/Audit Committee Report – Chairman Callwood – No Report
- (d) Policy Committee Report – No Report

Treasurer's Report

Denise Jeremiah, CFO read the Treasurer's Report for the System and Havensight Mall for the month ending of December 31, 2023

Total Collections for December 31, 2023, is \$9M and FYTD is \$159M. Total Disbursements for December 31, 2023, is \$25M and FYTD is \$75M; Net Cash Deficit is \$16M a Net Cash Surplus for FYTD of \$84M

Havensight Mall.

Total Collections for December 31, 2023, was \$448K and FYTD \$1M; Total Disbursements for was \$349K and FYTD is \$1M and a Net Cash Surplus of \$98K and Net Cash deficit of \$70K FYTD.

Trustee Dorsey and Administrator Dawson concurred that the CFO did a good job in assembling the report. Administrator Dawson added that the Department of Justice has paid off their rent and utilities and they are no longer delinquent.

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

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Investment Officer's Report

The Investment Report for December 31, 2023, submitted to the board and read into the record by Glenville Henderson, Investment Analyst shows:

Market Value - \$546.7M

· Total Plan returned 3.9% for the month (includes local investments and not Loans and St. Thomas and St. Croix facilities). For FYT the Total Plan return is up 8.6%.

Total Domestic Equity returned 5.4% for the month and FYTD is 12.5%

· Total International Equity returned 4.9% for the month and FYTD is 10.4%

- Develop Market Equity returned is 5.4%
- Emerging Market Equity returned 3.8%

Total Domestic Fix Income Return 3.2% and FYTD is 6.2%

- Investment Grade Bonds returned 3.8%
- TIPS returned 2.6%
- High Yield Bonds returned 3.8%

· Funds of \$19.3M raised in the month of December 2023

· Total Alternatives returned -0.5% for the month

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

Trustee Bowry asked whether the local government will be able to make up for the shortfall of the funding note. According to Administrator Dawson, there is no indication that the government will be making up for the shortfall from its own resources. However, there has been extensive press coverage over the subject matter.

Regular Session

A. New Business

I. Personal Loan Program Restart

GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES BOARD OF TRUSTEES REGULAR MEETING

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Chairman Callwood proceeded to answer Ms. Moorehead questions.

- (1) Have the trustees agreed on a limit for the Loan program? *As per the VI code, the agency will allocate \$20M towards the loan program and it will be divided by both districts.*
- (2) Have Trustees increased the percentage of the loan program? *The loan interest rates are set for five years at an 8% interest rate.*

The Board will authorize the agency to offer the loan program from April 30th until December 31, 2024, and it will be evaluated on an annual basis to determine if it is viable for the loan program to continue for each following calendar year.

Trustee Bowry asked is there any basis under which the Board may not implement the Loan Program as outlined. According to Board Counsel Williams, due to the Board's fiduciary duties, it is up to the Board's discretion to start or stop the Loan Program at any time. As a result of the proceeds from the Special Purpose Vehicle, and the investment portfolio's performance, actuary consultants have determined that the system's financial state has improved. Therefore, the Board has given the agency the authority to restart the loan program.

Trustee Smith asked due to the expiration of the program of December 31, 2024, if the balance of the restart of the loan Program will be carried forward in CY 2025 in which Chairman Callwood response was no.

Trustee Russell recommended making a motion to modify the resolution requesting to include retirees that have sufficient security and collateral be eligible to apply for the personal loan program and in turn the Board present a proposal to the legislative body to amend the law. Board Counsel Williams responded that the law was written not authorizing the system to make personal loans to retirees. If the Trustees modify and pass the resolution it will contradict the existing law.

A motion was made by Trustee Smith and seconded by Trustee Dorsey to restart the personal loan program subject to the following conditions: (1) This shall be a limited loan program for which it will expire December 31, 2024, (2) \$20M shall be allocated and disbursed during the authorized period. The amount of \$20M will be evenly divided between St. Thomas/St. John and St. Croix district, (3) the maximum allowable for any applicant shall be the lesser of \$10K or 75% of applicant contribution credit in the System, the maximum allowed for any applicant is reduced by any loan, principle or balance outstanding which shall not be eligible for refinancing; the interest rate is 8% (4) the repayment period of the loan shall not exceed five years, (5) only actives who have contributed for at least two years are eligible to apply, (6), the limited personal loan program shall begin no later than April 30, 2024. The motion passed with 5 Yes

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(Bowry, Dorsey, Russell, Smith, and Callwood), and 1 Absent (Liger).

A motion was made by Trustee Russell and seconded by Trustee Dorsey for the Board to present to the Legislature a proposal to modify the resolution requesting to include the retirees that have sufficient security and collateral to be eligible to apply for the personal loan program. Roll call was taken. The votes were 2 Yes (Dorsey and Russell), 3 No (Bowry, Smith, and Callwood), and 1 Absent (Liger). The motion failed.

A motion was made by Trustee Smith and seconded by Trustee Dorsey to go into Executive Session. This portion of the meeting will be closed to the public for matters pertaining to trade secrets or financial or commercial information or personal or legal matters; or matters whose premature disclosure will frustrate the implementation of the proposed agency action. The motion passed with 4 Yes (Bowry, Dorsey, Smith, and Callwood), and 2 Absent (Liger and Russell).

Executive Session

A motion was made by Trustee Smith and seconded by Trustee Dorsey to come out of Executive Session. The motion passed with four in favor (Bowry, Dorsey, Smith, and Callwood), one not voting (Russell) and one absent (Liger).

Regular Session

The Chairman reported out of Executive Session that the Board discussed pending legal matters, medical review committee pending cases, and a possible change to its policy.

Privileges on the Floor

None

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

The meeting ended at approximately 11:45a.m.

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

January 25, 2024

The minutes for the Regular Session were transcribed from the zoom recording by Zaida Castro, Executive Assistant to the Administrator and reviewed and edit by Angel E. Dawson Jr. Administrator and CEO.

A handwritten signature in blue ink, appearing to read "A. Dawson Jr.", with a stylized flourish above the name.

Angel E. Dawson Jr.
Administrator/CEO
Secretary, GERS Board of Trustees