

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

**St. Thomas/St. Croix
Thursday, October 24, 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: 9/26/2024)
- 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). Consideration of Amendment to Advance Restoration Services, Inc. contract to repair western flat roof at GERS St. Thomas Complex
- 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

October 24, 2024

The Regular Meeting of the Board of Trustees was called to order at 9:44 a.m. At roll call, Trustees present were Nellon Bowry, Andre' T. Dorsey, Vincent G. Liger, and Dwane Callwood. The meeting was held in person and via Zoom. Trustees not present during roll call were Ex-Officio Cindy L. Richardson, Ronald E. Russell (absent) Leona E. Smith (excused). A quorum was established with 4 voting Trustees present.

Staff in attendance: Angel E. Dawson, Administrator/CEO, Ishmael A. Meyers Jr., General Counsel, Asiah Clendinen Gumbs, Senior Deputy Administrator, Michele Nico, Deputy Administrator, Glenville Henderson, Investment Analysts, Jahmed Mills, Director of Retail, Dining, and Entertainment/Property Manager – Havensight, Roy Moorehead, Assistant Property Manager / Chief of Security – Havensight, Dannica Thomas, Director, Communications, Engagement & Organizational Effectiveness, Ucilla Austrie, Co-Director of Accounting and Finance Division/Accounting Coordinator, Ms. Jerain Fleming, Executive Assistant to the Administrator, LeSean Moses, Computer and Benefits Systems Technician, IT, Nikia Coley, Administrative Assistant to the Board, Zaida M. Castro, Legal Secretary to the General Counsel,

Also, present at the meeting were Pedro K. Williams, Board Counsel, Kelsha Williams from Law Offices of Williams and Williams, Ms. Desiree Hill, Stenographer and Ms. Valcina Quashie, Deputy Director for Division of Personnel representing Ex-Officio Richardson.

Comments and Suggestions from Retirees

None

Comments and Suggestions from Active Members

None

Secretary's Minutes (Regular 09/26/2024)

A motion was made by Trustee Bowry to accept the minutes of September 26, 2024, and seconded by Trustee Dorsey. The motion passed with Yes 3 (Bowry, Dorsey, and Callwood), 2 absent (Russell & Smith) and 1 not voting (Liger).

Communication and Correspondences

None

Chairman's Report

On October 2, 2024, Chairman Callwood along with Administrator Dawson, met with Governor Bryan and his Financial team members to discuss the three (3) percentage points increase in employer contributions. A motion to increase the Employer Contributions to 26.5% effective

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January 1, 2025, was adopted at the September 26th Board meeting.

On October 11th, Chairman Callwood, Mr. Shawn Miller (hotel developer), and Administrator Dawson took a tour of the hotel development at Havensight Mall. The Administrator's Office will coordinate future tours, which will also be available to other members of the Board.

Trustee Dorsey requested an update on the outcome of the discussion with the Chairman and Governor Bryan regarding the increase in employer contributions. Chairman Callwood presented the cash flow presentation shared by the Actuary at the Board Retreat to Governor Bryan and his team and reiterated that the System could still be insolvent. The Governor's team is looking at potential pockets of funding to address the issue of insolvency.

Administrator's Report

Meetings, Presentations, and Appearances

September 26	Board Meeting
October 2	Meeting with Governor Bryan re: 3 percentage point increase
October 3	Meeting with member re. retirement qualification
October 4	Vitech Statement of Work Review
October 9	Meeting with member re: Retirement qualification
October 9	Meeting with Havensight tenant
October 10	Panelist at the Governor's Workforce Summit 2024
October 11	Havensight Greenspace Review
October 11	Havensight Hotel Site visit with Chairman
October 11	Meeting with Havensight tenant
October 15	Attended Port Authority Public Hearing on Fee Increases
October 17	Prep Meeting – "Friday Night at Havensight"
October 18	"Friday Night at Havensight"

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Member Services

Retirement Applications - as of October 15, 2024

	<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>2025</u>	<u>Total</u>
STX	147	111	118	177	143	114	165	142	135	115	1	
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>158</u>	<u>126</u>	<u>0</u>	
Total	294	275	245	401	315	240	343	326	293	241	1	
Processed	<u>293</u>	<u>275</u>	<u>245</u>	<u>401</u>	<u>315</u>	<u>240</u>	<u>343</u>	<u>324</u>	<u>281</u>	<u>102</u>	<u>0</u>	
Remaining	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>12</u>	<u>139</u>	<u>1</u>	<u>155*</u>
% Completed	99%	100%	100%	100%	100%	100%	100%	99%	96%	42%	0%	

Contributions Processing-Refunds and Death Benefits

October 1, 2023 – September 30, 2024

Refunds

	<u>No. of Cases Completed</u>	<u>Total Amount</u>	<u># Cases Pending</u>
Regular	409	\$6,904,871.49	37
Erroneous	19	19,721.59	3
Employer Share	17	118,155.15	1
Overpayment	265	712,405.77	3
Total	710	\$7,755,154.00	44

Death Benefits

	<u>No. of Cases Completed</u>	<u>Total Amount</u>	<u># Cases Pending</u>
Active	44	\$ 2,221,095.28	36
Retired	8	271,837.22	25
Total	52	\$ 2,492,932.50	61

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Accounting Department

Annuity Payments

No. of retirees as of October 15, 2024, payroll: **8771**

Cumulative dollar paid out from October 1, 2024 – October 15, 2024

700	Pensioners	\$0.00	
702	Service Retirement Annuities	11,006,716.12	
703	Survivors' Annuities	73,073.64	
704	Duty-Connected Death Annuities	106.81	
705	Duty-Connected Disability Annuities	131,615.39	
706	Non-Duty Disability Annuities	66,820.10	
	Totals		11,278,332.06

Number of retirees added to payroll from October 1, 2024 – October 15, 2024. **15**

Number of retirees added to the payroll for the October 15, 2024, pay date. **15**

Number of retirees expected to be placed on payroll for October 31, 2024, pay date: **5**

Number of retirees deleted from payroll from October 1, 2024, through October 15, 2024: **14**

Note: As of 10/15/24 payroll, the Gross Retiree Payroll has arrived at **\$ 11,278,332.06**

Disbursement by Location as of 10/15/2024

Location	Total Count	Total Checks	Total ACH
Puerto Rico & Other islands	68	9	59
United States	1688	27	1661
International	6	2	4
	1762	38	1724
St. Thomas	4094	77	4019
St. Croix	3494	50	3444
St. John	228	5	223
	7816	132	7686
Total disb.	9578	170	9410

**GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
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**GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
LOAN PORTFOLIO**

UNITS

9/30/2024

PERSONAL LOANS

	Total	STT/STJ	STX
Active Personal Loans	2193	1093	1100
Retiree Personal Loans	256	142	114
Total Active Loans	2449	1235	1214

MORTGAGES

Construction/Home Improvement	19	11	8
Land	21	18	3
Purchase/Refinance	27	20	7
Totals	67	49	18

TOTAL LOANS & MORTGAGES

2,516

1,284

1,232

TOTAL OUTSTANDING

SEPTEMBER 2024

	Total	STT/STJ	STX
Active PL -	\$ 19,834,146.04	\$ 9,903,757.84	\$ 9,930,388.20
Retiree PL -	828,138.36	370,735.87	457,402.49
Purchase/Refi -	1,159,470.06	834,691.38	324,778.68
Construction -	1,572,145.89	915,422.64	656,723.25
Land Loans -	337,889.34	321,818.25	16,071.09
GRAND TOTAL	\$ 23,731,789.69	\$ 12,346,425.98	\$ 11,385,363.71

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Operations

St. Croix Office Complex

BUILDING:

CASINO COMMISSION CONTROL BUILDING:

Building needs to be repaired and painted.

MAINTENANCE:

HVAC SYSTEMS: RTU #4 and #5 to be replaced (approximately \$15K each).

St. Thomas Office Complex

BUILDING:

- Southern Flat Roof renovation - 90% complete.
 - Asphalt – 90% completed
- Western Roof to be replaced.

Havensight Mall

Hotel Development

The hotel project is 70% complete

GENERATORS

Update- IMPORT SUPPLY

- Build a new Concrete pad and enclosure **(100% Work Complete)**
- Manufacture vent and ducts **(50% complete)**

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Rental Collection

Office Buildings Rental and Electricity Collections – Exhibit A (below)

	<u>September 2024</u>	<u>Total FYTD</u>	<u>Arreages</u>
Rental	\$241,813.74	\$1,098,927.32	\$45,819.08
Electric	\$162,496.81	\$512,012.69	\$58,183.98
Total	\$404,310.55	\$1,610,940.01	\$104,003.06

Leases

Department of Justice - On September 19, 2024, Mr. Dawson met with the Attorney General (AG). The AG will review the lease.

RENTAL – EXHIBIT A

	September 2024 Collection				Total Year-To-Date Revenue Collection	Rental Arrearage	Electrical Arrearage	Notes	Late Fee Assessed
	Rental Collection/ Late Charge	Electrical Collection	Rental Year-To- Date Collection for FY 2024	Electrical Year-To- Date Collection for FY 2024					
Department of Justice	\$ 222,378.00	\$ 160,965.31	\$ 513,662.00	\$ 389,351.99	\$ 903,013.99		\$ 15,660.00		Partial due- Feb, Mar, Jun
Division of Personnel			294,240.00	113,452.60	407,692.60	19,014.08	42,523.98	September	Jun, July, Aug
FirstBank	290.20	116.64	3,482.40	1,482.78	4,965.18	-			
Ophthalmology Consultants, LLC	6,556.36		76,575.76		76,575.76	-	-		
Plessen Eye, LLC_ADMIN	4,009.28		49,073.58		49,073.58	-	-		
Plessen Eye, LLC_ADMIN STORAGE	580.00		7,099.20		7,099.20	-	-		
Plessen Eye, LLC_ASC	4,392.44		53,763.48		53,763.48	-	-		
Equus Workforce Solution	3,607.46	1,414.86	21,644.76	7,725.32	29,370.08	-	-		
VI Casino			79,386.14		79,386.14	-	-		
VI Police Department						26,805.00			
Total income Received	\$ 241,813.74	162,496.81	1,098,927.32	512,012.69	1,610,940.01	45,819.08	58,183.98		

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Quality and Control

Below is the total number of employees per Agency for September 2024. EEMC, RLSHMC, VIHFA and VIPFA have outstanding contributions.

EMPLOYEE TOTAL PER AGENCY – SEPTEMBER 2024

Agency	Total no. of Employees	Date
DOFSTT	6018	9/22/2024
EDA	41	9/5/2024
EEMC	1	5/16/2024
FHC	12	8/8/2024
GERS	105	9/5/2024
IP	3	9/5/2024
JFLHMC	507	9/19/2024
LOTTERY	39	9/19/2024
PFA	69	9/19/2024
RLSH	598	5/16/2024
RLSH - Physicians	6	7/11/2024
UVI BW	108	8/1/2024
UVI M	15	7/25/2024
VIHA	166	9/12/2024
VIHFA	96	5/30/2024
VIPA	255	9/19/2024
VIWMA	183	9/19/2024
VI WAPA	502	9/12/2024
TOTAL	8,724	

Ms. Valcina Quashie, Deputy Director for Division of Personnel reported that the Division of Personnel is up to date with rental and paid on October 8, 2024.

Administrator Dawson clarified with Trustee Dorsey that the October 4th meeting was a regular discussion of the Scope of Work with VITECH regarding the migration from V3 to V10. Trustee Dorsey requested an update on the green space, and Administrator Dawson confirmed it is progressing well.

Committee Reports.

- (a) Investment Committee – Chairman Callwood – No Report
- (b) Development Committee – Trustee Leona E. Smith – No Report
- (c) Budget/Audit Committee Report – Chairman Callwood – No Report
- (d) Policy Committee Report- Trustee Bowry – No Report
- (e) Havensight Management Oversight Committee – No Report

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Treasurer's Report

Ucilla Austrie, Co-Director of Accounting and Finance Division/Accounting Coordinator, read the Treasurer's Report for the System and Havensight Mall for the month ending of September 30, 2024

Total Collections for September 30, 2024, is \$13M and FYTD is \$291M. Total Disbursements for September 30, 2024, is \$25M and FYTD is \$319M; Net Cash deficit is \$12M a Net Cash Deficit for FYTD of \$29M

Havensight Mall.

Total Collections for September 30, 2024, was \$413K and FYTD \$5M; Total Disbursements was \$300K and FYTD is \$6M and a Net Cash surplus of \$113K and Net Cash deficit of \$290K FYTD.

Ms. Austrie pointed out that 66% of the spending of the budget was due to the migration activities of the V3 system. Also, out of the \$144M drawdown, \$20M consists of the funding of the Loan Program.

It was also clarified that the lease payments from the hotel (Haven Development L.L.C.) will occur following the hotel's opening.

A motion was made by Trustee Dorsey and seconded by Trustee Bowry to accept the Treasurer's Report for September 30, 2024. The motion passed with 4 Yes (Bowry, Dorsey, Liger, and Callwood) and 2 Absent (Russell and Smith).

Investment Officer's Report

Mr. Glenville Henderson read the investment report for the month ending September 30, 2024

No funds raised for the month ending September 30th.

Total Plan returned 1.7% for the month (includes local investments and not Loans and St. Thomas and St. Croix facilities).

Total Domestic Equity returned 2.1 % for the month.

Total International Equity returned 2.6 % for the month

- Develop Market Equity returned is 1.0%
- Emerging Market Equity returned 6.6%
- Total Domestic Fix Income Return 1.5%

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- Investment Grade Bonds returned 1.3%
- TIPS returned 1.5%
- High Yield Bonds returned 1.6%
- Cash Returned 0.4%

Total Alternatives returned 0.0% for the month

A motion was made by Trustee Dorsey and seconded by Trustee Bowry to accept the Investment Officer's Report for September 30, 2024. The motion passed with 4 Yes (Bowry, Dorsey, Liger, Callwood) and 2 Absent (Russell and Smith)

Regular Session

A. New Business

(i). Consideration of Amendment to Advance Restoration Services, Inc. contracts to repair western flat roof at GERS St. Thomas Complex

Senior Deputy Administrator Clendinen Gumbs took the lead in enlightening the Board on this topic with permission granted by the Chairman. The request is a proposed amendment to the contract with Advance Restoration Services (ARS). The amendment aims to address environmental hazards from pinhole leaks and soft spots on the Western Roof, impacting the Division of Personnel. These issues were found after work started on the southern roof. The agency's engineering firm, Jaredian Design Group, has approved the amendment to avoid additional remobilization costs. The scope includes a 20-year warranty, with the Western Roof costing \$64,000. The amended cost of the ARS contract is still below the original budgeted amount for roof repair.

A motion was made by Trustee Dorsey and seconded by Trustee Bowry to approve the Advance Restoration Services, Inc. contract to repair the western flat roof at GERS St. Thomas Complex. The motion passed with 4 Yes (Bowry, Dorsey, Liger, and Callwood) and 2 Absent (Russell and Smith).

Administrator Dawson informed the Board of Trustees that at the September 13th Staff meeting, it was announced the promotion of Attorney Ishmael Meyers Jr. to General Counsel. Attorney Meyers was also given formal written notice of his promotion.

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.

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A motion was made by Trustee Bowry and seconded by Trustee Liger to enter Executive Session. The motion passed with 4 Yes (Bowry, Dorsey, Liger, and Callwood) and 2 Absent (Russell and Smith).

A motion was made by Trustee Bowry and seconded by Trustee Dorsey to come out of Executive Session. The motion passed with 4 Yes (Bowry, Dorsey, Liger, and Callwood) and 2 Absent (Russell and Smith).

Regular Session

The chairman reported out of Executive Session that the Board discussed medical committee matters and security concerns of GERS property.

Privileges on the Floor

NA

Adjournment

A motion was made by Trustee Dorsey and seconded by Trustee Bowry to adjourn. The motion passed with 4 Yes (Bowry, Dorsey, Liger, and Callwood) and 2 Absent (Russell and Smith).

The meeting ended at approximately 11:09a.m.