

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

**St. Thomas/St. Croix  
Thursday, September 26, 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: 8/8/2024)
- 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). Bill No. 35-0307
    - (ii). Approval of FY 2025 Budgets
    - (iii). Administrator's Recommendation to Increase Employer Contribution to 26.5%
- XIII. Privileges of the Floor
- XIV. Adjournment

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

September 26, 2024

The Regular Meeting of the Board of Trustees for Thursday, September 26, 2024, was called to order at 10:17a.m. At roll call, Trustees present were Nellon Bowry, Andre' T. Dorsey, Ronald E. Russell, Loena E. Smith, and Dwane Callwood. The meeting was held both in-person and via Zoom. Absent at roll call was Trustee Vincent G. Liger. A quorum was established with 5 voting Trustees present.

Staff in attendance included: Angel E. Dawson, Jr., Administrator/CEO; Ishmael A. Meyers, Jr., General Counsel; Asiah Clendinen Gumbs, Sr. Deputy Administrator/COO; Michele Nico, Deputy Administrator; Denise Jeremiah, Chief Financial Officer; Glenville Henderson, Investment Analyst; Dannica Thomas, Dir. Communications; Jahmed Mills, Director of Retail, Dining, and Entertainment/Property Manager–Havensight; Roy Moorehead, Asst. Prop. Mgr./Chief of Security-Havensight; Ucilla Austrie, Accounting Coordinator; Trenette Donovan, Financial Admin. Specialist; LeSean Moses, Computer and Benefits Systems Tech – IT; Nikia Coley, Admin Assistant to the Board; Jerain Fleming, Executive Assistant to the Administrator.

Also present at the meeting were Pedro K. Williams, Esq., Board Counsel, and Florine Hassel, Asst. Director - Division of Personnel. Ms. Desiree Hill, the stenographer, was not present but will transcribe the minutes using the Zoom recording.

## **Comments and Suggestions from Retirees**

None

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

None

## **Secretary's Minutes (Regular August 8, 2024)**

No edits or corrections were made.

***A motion was made by Trustee Dorsey and seconded by Trustee Smith, to accept the minutes of August 8, 2024. The motion passed with 5 Yes (Bowry, Dorsey, Russell, Smith, and Callwood), and 1 absent (Liger).***

## **Communication and Correspondences**

None

## **Chairman's Report**

None

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

**September 26, 2024**

**Administrator's Report**

**Meetings, Presentations and Appearances**

July 18	Havensight Greenspace/Visitor Center Kick-Off Meeting
July 23 thru July 26	Board Retreat
August 1	Meeting with Atty. Carol Rich re. Havensight Leases St. Thomas Source Interview
August 8	Board Meeting
August 12 - August 29	Vacation
September 4	Annual Overview of Operations Legislative Hearing
September 11	Meeting with Union
September 12	Budget Committee Meeting
September 13	All Staff Meeting and Employee Recognition
September 18	Interview with WTJX
September 19	Meeting with U.S. Government Accountability Office Meeting with Acting Atty. General Rhea re. DOJ Lease

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

**September 26, 2024**

**Member Services**

**Retirement Applications - as of September 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	136	105	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>124</u>	<u>0</u>	
Total	294	275	245	401	315	240	343	326	294	229	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>81</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>13</u>	<u>148</u>	<u>1</u>	<u>165*</u>
% Completed	99%	100%	100%	100%	100%	100%	100%	99%	96%	35%	0%	

**Contributions Processing-Refunds and Death Benefits**

**October 1, 2023 – August 31, 2024**

**Refunds**

	<u>No. of Cases Completed</u>	<u>Total Amount</u>	<u># Cases Pending – Aug.</u>
Regular	387	\$6,355,752.19	32
Erroneous	19	19,721.59	0
Employer Share	17	118,155.15	0
Overpayment	249	647,393.42	0
<b>Total</b>	<b>672</b>	<b>\$7,141,022.35</b>	<b>32</b>

**Death Benefits**

	<u>No. of Cases Completed</u>	<u>Total Amount</u>	<u># Cases Pending – Aug.</u>
Active	36	\$ 1,807,925.00	40
Retired	7	267,206.96	25
<b>Total</b>	<b>43</b>	<b>\$ 2,075,131.96</b>	<b>65</b>

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

**September 26, 2024**

**Accounting Department**

**Annuity Payments**

No. of retirees as of September 13, 2024, payroll: **8782**

**Cumulative dollar paid out from October 1, 2023 – September 13, 2024**

700	Pensioners	\$0.00	
702	Service Retirement Annuities	252,088,286.09	
703	Survivors' Annuities	1,612,861.22	
704	Duty-Connected Death Annuities	2,456.63	
705	Duty-Connected Disability Annuities	3,015,566.45	
706	Non-Duty Disability Annuities	1,521,894.45	
	<b>Totals</b>		<b>258,241,064.84</b>

Number of retirees added to payroll from October 1, 2023 – September 13, 2024. **312**

Number of retirees added to the payroll for the September 13, 2024, pay date. **16**

Number of retirees expected to be placed on payroll for September 30, 2024, pay date: **7**

Number of retirees deleted from payroll from October 1, 2023, through September 13, 2024: **290**

Note: As of 9/13/24 payroll, the Gross Retiree Payroll has arrived at **\$ 11,281,166.23**

**Disbursement by Location as of 9/13/2024**

<b>Location</b>	<b>Total Count</b>	<b>Total Checks</b>	<b>Total ACH</b>
Puerto Rico & Other islands	68	8	60
United States	1683	27	1656
International	6	3	3
	<b>1757</b>	<b>38</b>	<b>1719</b>
St. Thomas	4094	73	4021
St. Croix	3506	50	3456
St. John	227	7	220
	<b>7827</b>	<b>130</b>	<b>7697</b>
Total disb.	<b>9584</b>	<b>168</b>	<b>9416</b>

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

**September 26, 2024**

**GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM  
LOAN PORTFOLIO**

**UNITS**

PERSONAL LOANS	DATE		
	8/31/2024	STT/STJ	STX
Active Personal Loans	2205	1097	1108
Retiree Personal Loans	295	165	130
<b>Total Active Loans</b>	<b>2500</b>	<b>1262</b>	<b>1238</b>

  

MORTGAGES			
Construction/Home Improvement	19	11	8
Land	23	20	3
Purchase/Refinance	27	20	7
<b>Totals</b>	<b>69</b>	<b>51</b>	<b>18</b>

  

TOTAL LOANS & MORTGAGES	2,569	1,313	1,256
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**TOTAL OUTSTANDING**

August 2024

	Total	STT/STJ	STX
Active PL -	\$20,071,902.54	\$10,017,441.85	\$10,054,460.69
Retiree PL -	1,022,165.86	559,708.81	462,457.05
Purchase/Refi -	1,163,205.52	838,426.84	324,778.68
Construction -	1,580,684.56	921,469.84	659,214.72
Land Loans -	341,821.70	325,750.61	16,071.09
<b>GRAND TOTAL</b>	<b>\$24,179,780.18</b>	<b>\$12,662,797.95</b>	<b>\$11,516,982.23</b>

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

September 26, 2024

## Operations

### St. Croix Office Complex

#### **BUILDING:**

##### **CASINO COMMISSION CONTROL BUILDING:**

Roof Repairs, sealing, and painting are 100 % completed.

##### **PLESSEN OPHTHALMOLOGY BUILDING:**

Roof Repairs, sealing, and Paint are 100 % completed.

#### **MAINTENANCE:**

HVAC SYSTEMS: RTU #4 will be replaced. Unit Housing maintenance to be completed by Bengoa

### St. Thomas Office Complex

#### **BUILDING:**

- Southern Flat Roof renovation began. All materials required to complete the first phase were placed on the roof by a Crane
- Continued to remove carpeting in the building

### Havensight Mall

#### **Hotel Development**

- The hotel project is 63% complete



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

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## GENERATORS

Update- IMPORT SUPPLY

- Demo existing concrete pad where new transformer pad will go **(Work is 100% Complete)**
- Angled trench from generator backend heading in the direction of the transformer slab **(Work is 100% Complete)**
- Build a new Concrete pad and enclosure **(Work is 80% Complete)**

## Rental Collection

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

	<u>August 2024</u>	<u>Total FYTD</u>	<u>Arrearages</u>
Rental	\$54,165.48	\$857,113.58	\$185,315.00
Electric	\$227.61	\$349,515.88	\$174,740.22
<b>Total</b>	<b>\$54,393.09</b>	<b>\$1,206,629.46</b>	<b>\$360,055.22</b>

## Leases

No Updates.

## RENTAL – EXHIBIT A

	August 2024 Collection				Total Year-To-Date Revenue Collection	Rental Arrearage	Electrical Arrearage	Notes
	Rental Collection/ Late Charge	Electrical Collection	Rental Year-To- Date Collection for FY 2023	Electrical Year-To- Date Collection for FY 2023				
Department of Justice	\$ -	\$ -	\$ 291,284.00	\$ 228,386.68	\$ 519,670.68	\$ 185,315.00	\$ 146,624.27	Mar., Apr., Apr., May, Jun e, July, Aug. May, June, July Electric June, July Electric
Division of Personnel	38,528.16		294,240.00	113,452.60	407,692.60		28,115.95	
FirstBank	290.20	227.61	3,192.20	1,366.14	4,558.34	-		
Ophthalmology Consultants, LLC	6,365.40		70,019.40		70,019.40	-	-	
Plessen Eye, LLC_ADMIN	4,009.28		45,064.30		45,064.30	-	-	
Plessen Eye, LLC_ADMIN STORAGE	580.00		6,519.20		6,519.20	-	-	
Plessen Eye, LLC_ASC	4,392.44		49,371.04		49,371.04	-	-	
Equus Workforce Solution			18,037.30	6,310.46	24,347.76	-	-	
VI Casino			79,386.14		79,386.14	-	-	
<b>Total income Received</b>	<b>\$ 54,165.48</b>	<b>227.61</b>	<b>857,113.58</b>	<b>349,515.88</b>	<b>1,206,629.46</b>	<b>185,315.00</b>	<b>174,740.22</b>	

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

**September 26, 2024**

## Quality and Control

Below is the total no. of employees per Agency for August 2024. EEMS, FHC and VIHFA have made outstanding contributions. The total number of employees is declining. This happens as members meet the employee contribution obligations for the year based on their salary.

### EMPLOYEE TOTAL PER AGENCY - AUGUST 2024

Agency	Total no. of Employees	Date
DOFSTT	6,103	8/22/2024
EDA	44	8/22/2024
EEMC	1	5/16/2024
FHC	12	8/8/2024
GERS	106	8/22/2024
IP	3	8/8/2024
JFLHMC	504	8/8/2024
LOTTERY	38	8/22/2024
PFA	69	7/25/2024
RLSH	575	4/18/2024
RLSH - Physicians	6	7/11/2024
UVI BW	108	8/1/2024
UVI M	15	7/25/2024
VIHA	168	8/1/2024
VIHFA	96	5/30/2024
VIPA	264	8/22/2024
VIWMA	176	8/22/2024
VI WAPA	500	8/15/2024
<b>Total</b>	<b>8,788</b>	

## PROJECTS – Quality Assurance

**DELINQUENCY LOANS RESEARCH** (Project is ongoing)

# GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM MINUTES

## BOARD OF TRUSTEES REGULAR MEETING

September 26, 2024

### Questions for Administrator Dawson:

Trustee Bowry inquired about the \$360,000 in arrears for electricity, and whether it was a part of the discussion during Administrator Dawson's meeting with the Dept. of Justice (DOJ). Trustee Bowry asked the Administrator to share what came out of the conversation.

Administrator Dawson noted that during the meeting, the DOJ assured GERS that they are working with the Dep. of Finance (DOF) to get their payments for GERS processed. Administrator Dawson mentioned that DOF has sent information indicating the payments are being processed, and GERS anticipates that the rent should be paid in short order. There is no dispute from DOJ that the rent is owed.

Administrator Dawson said the bulk of the arrearages belongs to DOJ, with a small balance owed by the Division of Personnel - \$28,000. When payment is received from DOF, there will no longer be any arrearages. This late payment may also be attributed to it being the end of the fiscal year.

Trustee Dorsey inquired about the July 18<sup>th</sup> meeting regarding the Visitor's Center. Administrator Dawson indicated that the meeting included the plans for the Visitor's Center as well as the greenspace.

Trustee Dorsey asked about the meeting with U.S. Gov't Accountability Office (USGAO), to which Administrator Dawson noted that the meeting was held at the request of USGAO - under the PROMESA Legislation, GAO and DOI are required to meet with the GERS, as well as other agencies of the GVI.

Trustee Dorsey raised concerns about the security of GERS' buildings, drawing reference to a recent incident in the national news. He suggested security may need to be looked at in both districts to ensure the safety of the employees. Administrator Dawson ensured that security is something GERS is always aware of, and it can always be assessed. GERS can look further into it with professionals to see if anything additional needs to be put in place.

Trustee Smith inquired whether GERS is still looking into solar installation for the buildings. Administrator Dawson noted that the focus had been on ensuring the generators are working as needed, but solar could definitely be looked into as supplemental power production.

Trustee Bowry asked if the hotel would have solar energy capabilities. Administrator Dawson noted that the Hampton by Hilton Hotel will be completely off grid, due to a micro grid that will be built to power the hotel.

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

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## Committee Reports:

Chairman Callwood stated the Budget Committee met on September 12, 2024, to review both GERS Main and Havensight Budgets. All Trustees were invited to participate and give their inputs on the budget.

## Treasurer's Report:

Denise Jeremiah, CFO read the Treasurer's Report for the System and Havensight Mall for the month ending August 31, 2024.

### GERS' Schedule of Receipts and Disbursements:

- Total Collections for August 2024 is \$12.7M, and FYTD is \$277.9M.
- Total Disbursements for August 2024 is \$26.7M, and FYTD is \$294.3M.
- This represents a Net Cash Deficit of \$14M for the month of August, and a Net Cash Deficit of \$16.4M FYTD.

### Havensight Mall's Schedule of Receipts and Disbursements:

- Total Collections for August 2024 is \$373.4K, and FYTD is \$4.9M.
- Total Disbursements for August 2024 is \$616K and FYTD is \$5.3.
- This represents a Net Cash Deficit of \$242K for the month of August, and a Net Cash Deficit of \$404K FYTD.

Trustee Bowry noted that he has raised the question several times concerning whether Havensight Mall should contribute to the operating expenses of the system, perhaps charging some type of management fee. He requested a report/analysis of whether this charge would be appropriate and how much would be practical. Trustee Bowry also mentioned that the Havensight Mall is listed as an investment on the System's books, and asked what return is the System earning on this investment and how is it determined? While Administrator Dawson did not disagree with Trustee Bowry about the charge of a management fee, he noted however, that a full time Manager has been hired at Havensight (budgeted under Havensight), and the services and administrative effort that were previously on GERS Main, have been substantially transferred to Havensight. Mr. Dawson noted that an analysis can be done to determine how much of the administrative cost can be attributed to Havensight and bill them accordingly.

***A motion was made by Trustee Dorsey and seconded by Trustee Bowry to accept the Treasurer's Report for August 31, 2024. The motion passed with 4 Yes (Bowry, Dorsey, Smith and Callwood) and 2 Absent (Liger and Russell).***

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

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## Investment Officer's Report:

Glenville Henderson gave an update of the Investment Portfolio as of August 31, 2024.

Total Plan returned 1.6% for the month - 20.1% FYTD

Total Domestic Equity returned 2.2% - 3.1% FYTD

Total International Equity returned 2.5% - up 22.7% FYTD

- Developed Market Equity returned 3.2%
- Emerging Market Equity returned 0.7%

Total Domestic Fixed Income returned 1.3% - up 11% FYTD

- Investment Grade Bonds returned 1.5%
- TIPS returned 0.8%
- High Yield Bonds returned 1.6%
- Cash returned 0.5%

Total Alternatives returned -0.3% (excludes Member Loan Programs as well as St. Thomas and St. Croix Facilities)

Monthly Cash Flow Update: Funds raised in the month of August 2024 totaled \$14M. The month ended at approximately \$488.8M.

***A motion was made by Trustee Smith and seconded by Trustee Dorsey to accept the Investment Officer's Report for August 31, 2024. The motion passed with 4 Yes (Bowry, Dorsey, Smith and Callwood), and 2 Absent (Liger and Russell).***

**Bill No 35-0307:** sponsored by Senator Milton Potter: Seeks to allow all active government employees to directly elect their representatives to the GERS Board, and it establishes a mandate that all seven members of the Board of Trustees meet the same requirements in respect to education and experience.

Trustee Bowry inquired about the current Board's seats occupied by the Central Labor Council Representatives. Chairman Callwood indicated that this measure would eliminate the provision for the Central Labor Council representatives. He noted that Trustee Liger's term has expired, and this measure would not affect Trustee Dorsey's current term on the Board. Trustee Bowry said he would not have a problem with this measure, as it would allow the active members to have representation just as the retirees already have representation.

Chairman Callwood said the measure would bring parity to active members, allowing them the opportunity to elect representatives to the board.

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

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Trustee Dorsey indicated he is not in favor of the measure and suggested it go to the Policy Committee to allow the Central Labor Council an opportunity to weigh in. He suggested adding additional seats to the Board for those active government employees who are unclassified.

Chairman Callwood noted that a measure as this is sent to the Board to get the Board's opinion of whether or not they are in favor. Trustees get to have the discussion, and each puts their position on the record. The Board then provides its position.

***A motion was made by Trustee Smith and seconded by Trustee Bowry indicating the GERS Board is in favor of Bill #35-0307. The motion passed with 3 Yes (Bowry, Smith and Callwood), 1 No (Dorsey) and 2 absent (Liger and Russell).***

## **FY2025 Budget:**

Administrator Dawson presented a synopsis of the FY2025 Budget:

- FY2025 proposed budget, which includes Operations, Capital and Board of Trustees, is \$22.7M (\$16.8M-Operations and \$5.9 Capital). This is a reduction of \$132,319.
  - o Operations (\$207K increase over 2024):
    - Board of Trustees – \$752K (\$9K increase)
    - Administration – \$11.3M (\$1.8M less than FY2024)
    - Facilities, Operations & Control – \$4.7M (increase of \$2M) – Offset from Administration's reduction, due to reorganization
  - o Capital (Reduction of \$339K)
    - Administration
      - Benefits Admin System – Increase of \$50K
      - Computer Hardware – Increase of \$57K
      - Furniture minor repairs – Increase of \$13K
    - Facilities Mgmt., Operations, Control Capital
      - Repairs and renovations - Reduction of \$320K
      - Vehicles (supplement fleet by 1 per district) – Increase of \$55K
      - Machinery and Equipment – Reduction of \$200K
      - Furniture – Increase of \$5K
- Havensight FY 2025 Budget – reduction of \$1,617,821
  - o Operations:
    - Personnel services – Increase \$31,362
    - Fringe Benefits – Increase of \$114,917
    - Supplies – Reduction of \$255,900
    - Services – Reduction of \$23,200
    - Utilities – Remained the same
  - o Capital Outlay – Reduction of \$1.485M

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

**September 26, 2024**

***A motion was made by Trustee Dorsey and seconded by Trustee Smith to accept the Budget Committee's recommendation for the FY2025 Budget. The motion passed with 4 Yes (Bowry, Dorsey, Smith and Callwood), and 2 absent (Liger and Russell).***

**Resolution No. 6-2024** - Administrator's recommendation to increase Employer Contribution Rate an additional 3% effective January 1, 2025, to 26.5%.

Trustee Bowry indicated that while he is in favor of the increase, the Resolution, as written, needs to be more robust in terms of justification, to include the history behind the reason for the increase: He noted the increase will equate to approximately \$13M increase to the Central Government's budget, so the background information as justification is needed.

Chairman Callwood indicated that the final Resolution will be drafted after the vote is taken, so the suggestions of Trustee Bowry will be noted for inclusion in the final draft.

***A motion was made by Trustee Dorsey and seconded by Trustee Smith to accept the 3% Increase for Employer Contributions. The motion passed with 4 Yes (Bowry, Dorsey, Smith and Callwood), and 2 absent (Liger and Russell).***

Administrator Dawson requested of Chairman Callwood, that the Board direct the Administrator to proceed with the increase, as intended, in January of 2025.

**Privileges of the Floor**

None

**Adjournment**

The Board of Trustees Meeting was adjourned at 12:10pm.

The minutes, for the Regular Meeting of the Board of Trustees, were transcribed from the meeting and the Zoom recording by Jerain Fleming, Executive Assistant to the Administrator, and reviewed and edit by Angel E. Dawson, Jr., Administrator and CEO.



Angel E. Dawson Jr.

Administrator/CEO

Secretary, GERS Board of Trustees