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Bryan Says New Scheme Will 'Permanently Resolve' G.E.R.S. Insolvency Crisis as PFA Board Approves Funding Increase For Firm Providing Legal Services

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The V.I. Public Finance Authority board has approved an increase from \$2 million to \$2.6 million for services provided by Squire Patton Boggs, LLP, which has been providing the Bryan administration with legal services regarding securing funding to save the Gov't Employees' Retirement System through securitization of the territory's Internal Revenue Matching Fund. The pension system is projected to collapse in under two years.

According to a release issued by the P.F.A., the governing board convened a virtual video conference on October 22 where Governor Albert Bryan, chairman of the board, initiated the discussion. Mr. Bryan said he has been working with members of the Legislature on a plan that would resolve the G.E.R.S. crisis through a refunding of the outstanding Matching Fund bonds.

The P.F.A. release said the extension entails increasing the not-to-exceed amount of the engagement from \$2 million to \$2.6 million. It remains a contingency fee agreement, which means Squire Patton gets paid only if the transaction closes, the P.F.A. said. The increase in the not-to-exceed amount is warranted due to additional services needed to further the transaction, which [failed to obtain legislative approval](#) last year.

“There is a compelling argument for acting on this fourth attempt to pursue another Matching Fund securitization as interest rates remain not far off of historic lows and credit spreads remain relatively favorable for high-yield bonds,” said Nathan Simmonds, P.F.A. director of finance and administration, to board members.

According to the release, Mr. Bryan captured the underlying concerns of board members regarding the pending insolvency of G.E.R.S. with guarded assurance. “This proposal will permanently resolve the untenable state of the G.E.R.S. unfunded liability,” he said, according to the P.F.A.

The resolution passed unanimously. The board also went into executive session to discuss a legal matter.

Board members present were Attorney Dorothy Issacs, OMB Director Jenifer O’Neal, Finance Commissioner and PFA Executive Director Bosede Bruce, and Board Secretary Keith O’Neale, Jr.