GERS BOT's General Meeting 2/27/25

GERS Retirement System (Board of Trustees)

February 27, 2025 · 0.6 hours · gov

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0:00:00 regular meeting of the board of trustees for thursday february 27 20 25 is there by car the order number will call please yes sir good morning trustee tamen clark present trustee clark present trustee andrew dorsey present Trustee Dorsey present. Trustee Vincent Liger. Present. Trustee Liger present. Trustee Ex-Officio Member Cindy Richardson.

0:00:35 Present. Ex-Officio Member Richardson present. Trustee Ronald Russell. Trustee Russell absent. Trustee Edward Roll Call. Trustee Leona Smith. Smith? Absolutely. Oh. You see nothing. First, Leon Smith? Yes, she was.

0:01:07 Uh, Trustee Wayne Collwood present. Trustee Collwood present. Mr. Chairman, there are four members present, two absent. Thank you. Are there any comments on suggestions from retirees? Point of information, Chair. Are you supposed to recognize Cindy Richardson as well? We're good.

0:01:40 Okay. Okay. Thank you. are there any comments and suggestions from caries are there any comments and suggestions from active members bring on um after the secretary's minutes to go to um discussion about the limited retiree local program followed by the treasurer's report followed by the investment officer's report so move second i want the administrator oh so we're going to so trustee those who moves trustee clark okay moved by justin policy seconded by trustee clark yes sir uh trustee hammond clark yes see clark yes trustee andrey dorsey yes trustee dorsey yes trustee vincent leiger yes trustee leiger yes trustee ronald russell let's see trustee russell absent steven smith present yes are you present yes present i mean yes yes um mr chairman five ba we will answer all right thank you okay so we're on to the secondary's minutes from the january 23rd 2025 meeting are there any edits or corrections hearing none can i have a motion to accept a secretary minister on january 23rd 2025 so move second moved by trustee dorsey seconded by trustee clark

0:04:09 trustee timon clark yes let's see yes trustee andrea dorsey yes trustee dorsey yes trustee leiter yes trustee leiter yes trustee ronald russell trustee russell absence uh trustee leona smith yes trustee smith yes trustee wayne forward yes we'll see how would yes mr chairman by the eight one action thank you uh next up uh the limited retiree loan program um as discussed in the investment community meeting there was a recommendation recommendation out of the investment community before board to approve they are a limited military loan program um the agreed parameters were a maximum loan amount of 7500 minimum loan amount 2500 maximum term of the loan of five years with interest rate of eight percent per annum uh the portfolio size with a total of 15 million dollars with a breakdown of 7.5 million dollars per district the authorization would be for one year just as we do for the active employee good morning mr chairman thank you okay all right and this recommendation came out of the investment community so at this time i'm asking for a motion to adopt the recommendation from the investment so move Seconded by second I seconded I

0:06:34 I think when trustee Russell opens his mic in his background number will happen yes mr chairman trustee clark present uh we're voting on the emotion oh okay sorry yeah i went to roll call yes yes i'm sorry trustee clark yeah uh trustee andrew dorsey yes trustee dorsey yes uh trustee leiger yes let's see library yes trustee ronald russell yes let's see russell yes trustee leona smith yes trustee smith yes trustee tallwood yes trustee callwood yes mr chairman 68 thank you uh next on the treasurer's report this is the government employees retirement system schedule of receipts and disbursements for the month ending january 31st 2025 receipts from um repayment six hundred and twenty thousand seven hundred and twenty nine year to date 1.6 million rents from tenants 290 000 Year to date, $408,288. Employer retirement contributions, $8,115,522.

0:08:47 Year to date, $28,685,308. Employee retirement contribution 4,076,795, year to date 14,740,160. We have a total collection for the month of January of 13 William, 153,190. Year to date, $149,490,332. This first month, we have annuity payments of $22,875,867. dollars year to date 94 million 117 thousand one hundred and sixty four dollars administrative expenses one million eight hundred and fifty two thousand eight hundred and thirty eight year to date six million four hundred and seventy eight thousand three hundred and seventy we have um refund of contributions three hundred and eighty nine thousand fifty two dollars year to date four million eight hundred eight thousand seven hundred and sixty seven for a total disbursement of twenty five million one hundred and thirty one thousand and twenty six dollars year to the disbursement we have one hundred and four million seven hundred and twenty thousand seven hundred and seventy three dollars for a net cash deficit during the month of january of 11 million nine hundred and seventy seven thousand eight hundred and thirty six year to date net net cash surplus of forty four million seven hundred and sixty nine thousand five or the name aside more schedule of receipts and disbursements we collected a total of six hundred and one thousand twenty year to date $2,021,872. We disperse a total of $361,036. Year to date $1,465,419.

0:11:23 dollars we have a net cash surplus for the month of january of 239 987 a year-to-date cash surplus of 566 452 and that's the end of the challenge thank you mr jeremiah any questions for cfo i just had a quick question chair um miss jeremiah what was the amount we had to draw down okay thank you i know the questions sure all right thank you anybody else have any questions for cfo thank you for the importance can i have a motion to accept the treasurer's report so moved second moved by trusty dorsey seconded by trusty smith yes sir trustee timon clark yes trustee clark yes trustee andre dorsey yes trustee dorsey yes trustee vincent leiger yes trustee leiger yes trustee ronald russell trustee russell trustee russell not voting trustee leona smith yes

0:13:09 yes trustee going forward yes trustee call word yes mr chairman five yes thank you next up yeah actually i can't even see it for steve um russell is still present because can we remove that screen so he's present he's on the he's on the line sir i can't see where is Mr. Moses, why is that screen still up?

0:13:38 Mr. Henderson. Oh, it's projected. All right. But normally we have to rely on the screen to see who is working. Yeah, the other trustees indicated that this president didn't see. Okay, we need to get the scripts to work every time. Okay, Mr. Henderson, proceed. Good morning, trustees. This is the investment portfolio report as of January 31st, 2025. Just to highlight some of the activity in the market for the month, global equities delivered positive returns with the European shares outperforming other regions. On the U.S. or domestic side, shares advanced in January but underperformed compared to other regions. While the information technology sector declined due to deep seek challenge China's startup deep seek challenge to U.S. prominence in artificial intelligence. Other sectors such as communication services, healthcare and financial services saw gains. Also, the Federal Reserve maintained interest rates and indicated no further cuts were imminent. Alongside that, we also had President Trump commencing his second top mid-month, boosting investor sentiment with his America's fourth policies, although traffic, although tariff threats, I'm sorry, has market volatility at month's end. In the Eurozone, shares started 2025 strongly in the Eurozone, with January's gains surpassing other regions due to a rotation away from US tech stocks and easing trade tariff

0:15:24 concerns top performing sectors include healthcare financials and notably banks in the eurozone um emerging markets role emerging markets rules in in u.s dollar terms in january uh software dollar i saw for u.s dollar provided some relief but um tariff risk weighed on markets as president trump took office and on the fixed income side the um in january it presented a contrasting trends uh in the global government bond market a weak start was followed by a strong rebound driven largely by positive inflation news uh investment great corporate credit spreads in the u.s remain tight high yield markets perform positively bolstered by a healthy economy strong strong corporate earnings and attractive views as it relates to the performance in the plan with that activity total plan returned 2.2 percent for the month fiscal year to date the plan is up 1.7 percent total domestic equity returned 3.2 percent for the month fiscal year to date domestic equity is up 6.3 percent total international equity returned 4.4 percent for the month contributed to that was developed market equity returned at 5.3% and emerging market returned at 1.8%. Total international equity fiscal year to date was down at about 3.8% overall for the fiscal year. Total domestic fixed income returned 0.9%. Our investment grade bonds returned 0.5%.

0:17:09 percent our tips portfolio returned 1.3 percent our high yield bands portfolio returned 1.4 percent and our cash gave us about 0.4 percent um also total alternative returned 0.5 percent what did that transpire to in terms of cash flow and dollars so we ended the month at approximately 547.8 million in market value in the fund we had a beginning market value of about 545.9 million we had net cash flow of um we had net cash flow of 46 472. we had income of about 358 thousand dollars we had an unrealized appreciation in a portfolio of about 11.5 million that brought us an ending market value of 547.8 million specifically at the date uh we began the fiscal year at about 500 497.2 million so far with our net cash flow of about 41.5 million total income so far 874 thousand we have an unrealized appreciation fiscal year to date of 8.3 million that brought us to again back to that ending market value of 547.8 million dollars as it pertains to raising cash for the month um to have cash on hand to pay benefits and expenses we raised 19 million in the month of January and that 19 million um was respectively taken from the russell 1000 the um msci ifa the u.s aggregate bond index and also the u.s high yield bond index as it relates to fees that we paid for investment management

0:19:06 custodian consulting fees uh for the month we paid 109 000 uh since that this month begin January began the calendar year as well, so $109,000, and fiscal year today, we've paid about $208,000 in management fees. For securities lending, fiscal year today, we've won about $920, and those funds we've reinvested back into the respective portfolios. So if you look at the current allocation of the portfolio, we have about 167.2 in domestic equity, about 100 million in international equity, about 193.8 million in domestic fixed income or alternative assets. This is excluding our member loans and our office complexes, both at St. Thomas and St. Groy at $66.7 million and we had cash on hand at about $21 million total estimated.

0:20:12 Mr. Chairman, proceed to conclude my report. Thank you, Mr. Henderson. Are there any questions for the investment officer? Hearing none, can I have a motion to accept the investment officer's report? So moved. So moved. moved by trustee policy seconded by trustee clark number will copy uh trustee timon clark yes trustee andrea dorsey yes trustee dorsey yes trustee vincent leiter trustee vincent leiter trustee river now posing trustee ronald russell yes trustee russell yes trustee leona smith the library reported as yes trustee liana smith issues have been coming but that's what can't be issues when if she was trying to cover him and open trustee blair callwood yes let's see call with yes mr chairman by ba with one thank you um next slide any communications and correspondences no so all right hearing on chairman's report um i traveled to washington ucs part of a delegation um to meet with delegate plastic and also both democratic democrat and republican members of the house with a meeting um that was from february 11th to february 14th

0:22:16 that's it yes mr chairman did you get my vote for yes on the last vote of the trustee smith you were reported as absent we will now change that to yes so mr chairman there was six yes for the acceptance of the investment officers thank you uh continuing the administrator's report beginning with meetings presentations and appearances um and these are highlights of course uh january 22nd participated in contracts with linear solutions which is providing us with support for our migration from um b3 version eight to velocity on january 23rd we had our board of trustees meeting january 24th uh we're planning a meeting for executive staff and also meeting with our hampton by hilton developer january 27th attended the governor's state of detroit of territory address january 28 participated in a meeting with delegate delegate stacy plaskett and the board of trustees here at the gprs uh february 4th we conducted a new trustee orientation for our new trustee mr timon clark february 7th we had a velocity upgrade planning and preparation meeting on february 11th through the 14th as alluded to by the chairman i too traveled with him to to and from washington dc uh at the invitation of delegate blaskett to meet with various house

0:24:13 and present house of representatives regarding increase of context of over rates and its attended benefit to the gbrs uh february 18th uh participated in a haven site website review with our consultant ideas february 20th participated in an employee reading and searing uh by tech gyro update meeting and the linear project status touch points uh that concludes the meeting's presentations and appearances highlights continuing with the member services uh report uh as of january uh 15th 2025 uh there were 24 applications received uh in uh between st thomas and st croix um and they are presently pending processing and there was a carry forward remaining from prior years of 118 cases for a total of 153 cases uh i'm sorry 118 from 2024 the cases from prior year years out of 253 pending cases with regards to refunds through january 2025 we have completed 46 cases totaling some 407 000 and there are 100 cases remaining that are being processed death benefits we have processed thus far a total of

0:26:06 nine cases totaling 107 203 dollars with 62 cases remaining pending annuity payments This cumulative dollars paid out from October 1st, 2024 through February 15, 2025, total $101,676,115.29. Number of retirees added to the payroll for the fiscal year thus far, 108.

0:26:43 february 15th number of retirees added to the payroll for the february 15 2025 payday is nine uh number of retired retirees expected to be placed on payroll for february 28th is also nine number of retirees deleted from the uh payroll uh through february 15th 118 uh as of february 15th the gross retiree payroll uh semi-monthly has arrived at 11.3 million dollars uh our disbursements uh to retirees the total uh 9 436 units uh 7718 of those are within the territory and 1718 outside of the territory with regards to the loan portfolio uh we have a total of two thousand three hundred and re active personal loans and 67 uh legacy mortgage loans for a total of two thousand three hundred and seventy loans uh which are fairly evenly distributed between the two districts uh total outstanding in terms of dollars for loans is 22.1 million dollars uh 11.6 million of that is on st thomas as in john or in the st thomas and john district and 10.5 million of that is in the st choy district uh regarding uh our operations uh unit report uh

0:28:35 the st choy office complex uh there's some information regarding our hvac or heating ventilation air conditioning systems we will have more you the details of that and to assure you that we remain on top of our h-back systems uh on st thomas the st thomas office complex the i'm happy to report that these southern flat roof renovation and the western blackwood renovations are complete so we're 100 complete without any work and we have received if i'm not mistaken the warranty from the manufacturer or having been satisfactorily completed regarding haven site mall the hotel project continues apace it's now at 80 percent complete guest room windows and roof work are completed uh interior and exterior finishings are on the way uh and those of us who have built a house or engaged in any construction or that the interior work is always uh quite um complicated um so that is proceeding at pace as well uh micro turbine micro turbine work for the electrical plants is narrowing condition and testing is scheduled for the end of february uh regarding the haven sites mall uh generator the cable site model property um we have some issues with the legacy generator but that is back online as we complete the commissioning of the new

0:30:29 generator that has been installed as far as rental and electricity uh collections we have uh collected fiscal year to date 577 107.53 cents we do have some arrearage approximately longer than two thousand dollars um the rental arrearage is 41 000 and some chains the electrical rear edge is a bit over sixty thousand dollars and um we're working as you were told with the uh department of justice and the division of personnel regarding their payments which are usually fruitful after some um resistance unless uh um our good ex-officio member uh richardson not to put her on the spot but if she has any updates we'd be happy to to have those at this time if not that's fine uh we work very well with uh yeah um like i said everything has been processed it's at the department of finance i can confirm that our february payment for rent has already was should have been received yesterday to include the late fee as well excellent we shall confirm thank you so uh senior there pd uh administrator don't send you a follow-up on that thank you um are there any questions for the administrator Hearing none, the investment committee met on Tuesday, we received an update from our investment advisors with respect to the performance of the portfolio, as well as some slight outlook forward.

0:32:46 also in a meeting discuss the parameters of the limited retiree loan program um next order of business or presentation of the property of visual reports since i'm not sure if i'm going to speak to that uh sure i'll keep it uh fairly brief let me indicate that uh for our next board retreat we do plan to invite our appraisers to come and be one of the experts that represents uh to the board uh however i don't want to wait until the summer gets to share what i would consider to be very good news with regards to uh the appraisal of our properties uh that we have received a recent uh updates to the appraised values of our st choy office complex or st thomas office complex and most significantly the haven site mall um on st croix uh we saw the value of of that property based on the appraisal and this is important because it also affects our financial statements these appraised values are used as the values that are carried on our balance sheet on st croix we saw an increase in the value of our property between 2021 and 2024 when the field work was actually done for the appraisal uh from 3.3 million dollars to 3.4 million dollars uh and the trustees do have the appraisal reports in their package uh and on st thomas uh even better news we saw the appraised value of this complex that we're sitting in uh go from eight million dollars in 2021 to 10.4 million dollars and that is a tribute to the excellence uh the legitimate work taken in maintaining these properties as well as the economic liability due to the rental income that we received from both of them uh with regards to the haven site mall uh in 2017 that's a property that investment was valued at 14 million dollars as of 2024 uh it is valued at 46.5 million dollars and a piece

0:35:15 of some 5.5 million dollars but even better is that with the development of the hotel property uh when that is stabilized open and stabilized next year and the revenue stream kicks in from that the value of the haven site property will be 58.7 million dollars 59 million dollars which would be an increase of some 18 million dollars over the period so i think this is a tribute to the vision and the wisdom of partnering with haven developers to develop that property we will benefit both in terms of cash flow as there will be rental minimums that we receive which could be exceeded by the percentage of revenue for the lease that was negotiated uh and we're also increasing the value that this property is carrying at on our battlefield so um this is very exciting news positive news and i'm very happy to be sharing this we will be getting into the details of the way that it was appraised our companies were praise as i indicated you know when we treat when we invite the appraisers to come and present for that report are there any questions all right privileges on the floor seconded by trustee clark

0:37:16 yes sir trustee timon clark yes trustee clark yes trustee andre dorsey yes let's see dorsey yes trusty vince and glider yes yes let's see ronald russell yes russie russell yes russie leona smith yes russie smith yes yes mr chairman six year all right this meeting is adjourned thank you very much for your time ladies and gentlemen let's stop especially thank you have a Have a good day.

People named in this transcript

SUSPECTED, and a finding aid only. Names were matched by machine against the spellings used across all 426 of our transcripts, and the title is the one used in the room. Being named here is NOT evidence that a person attended or spoke · only that the name was said. Speech recognition mishears names, so a spelling may be wrong even where no alternative is offered.

3x **Trustee Ronald Russell**
heard in this transcript as: Russell

3x **Trustee Vincent Liger**
heard in this transcript as: Liger

2x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

2x **Trustee Leona E. Smith**
heard in this transcript as: Leona Smith