GERS BOT's Monthly Meeting 10/23/25

GERS Retirement System (Board of Trustees)

October 23, 2025 · 0.8 hours · gov

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0:00:00 well good morning everyone this common employees retirement system of the board of trustees but thursday october 23rd 20 25th i'm going to work out please yes yes i'm here android t dorsey Present.

0:01:01 Great. Seen present. Vincent G. Liger. What insurance? Vincent G. Liger. No, no, no. Well, this insurance is for Mr. Thomas. Okay. Yeah. Ronald. Okay. Thanks. Ronald. Okay.

0:01:39 Thanks. Ronald. E. Russell absent. E. Smith. Present. Present. uh vincent g leger jesse leger yes can you hear me yeah we hear you now okay i'm here yes i'm present okay um before we move on can i have a motion to revise agenda to move the discussion of bill number 360122 from regular session to executive session so move second will buy trusty don't see something interesting timon clark yes let's see yes red dorson yes let's see dorsey yes then send leger yes Yes.

0:03:11 Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Thank you. Any comments and suggestions from retirees? Are there any comments or suggestions from active members?

0:03:47 I would just say condolences to Ms. Samso and our council family member. okay uh secondaries minutes from the regular board meeting for september 25th 2025 are there any edits or corrections to be made uh motion to answer the minutes so moved second by trustee Thomas. Yes.

0:04:28 Chris E. Clark, yes. Andrew Dorsey. Yes. Wesley Dorsey, yes. Vincent Leiter. Yes. Russell? Yes. Russell? Yes. Russell? Yes. Russell? Yes. Russell? Yes. Russell? Russell? No. No. No. No. No. No. No. No. No. No.

0:04:56 trustee smith abstains trustee smith trustee smith still abstain you say yes yes trustee smith yes uh Dwayne Colwood? Yes. Trustee Colwood? Yes. Mr. Chairman, 5 VA? 1. Absent. Thank you. Are there any communications on cards for unnecessary? No, sir. Chairman's reports?

0:05:36 I have one. Okay. okay um good morning mr chairman trustees all present uh administrators reports meetings presentations and appearances for review uh september 18th uh participated in velocity project status meeting with cleaning of solutions september 19th our bi-tech weekly status meeting september 22nd i failed the legislature to provide testimony on bill number 36 zero zero six one before the legislature's community government operations government's affairs and consumer protection and for the benefit of those present that have to do with with the UBI um a person is wishing to be into the workforce working UBI um without penalty to their retirement safety uh September 25th we head over to the ERS Board of Trustees meeting September 29th um up to the meeting with Anita October 1st a meeting with Community Organization regarding possible program activities that we've been cited with the Center and Park.

0:07:04 On that same day, of course, I issued a press release on the shortfall in the 2025 funding load payment, which all trustees should have received. On October 4th, I was a guest on WSDX 970 radio show Community Digest with Apple Alley. October 6th through 8th we had linear in the territory and we had in-person meetings during the period October 6th through 8th. October 9th we attended a housing construction stakeholder meeting conducted by Senator Margaret Blyden.

0:07:43 October 10th we had a meeting with the CEO of One New Peace Hospital, St. Croix. october 16th we participated in a structured walk through of the new velocity system which was the first time that we including most members of the staff got to see the first inklings of what the system is going to look like and i must say that we were very big approach. October 17th, I sent out an announcement that I shared with the board regarding some new important points. Moving on with regards to retirement applications in 2025, thus far We process 88 retirement applications. We already have four received in 2026 that are pending processing contributions, refunds, and benefits through September of the last fiscal year. we have completed 52 cases amounting to 7 684 thousand dollars we have 160 cases and um with regards to death benefits we have processed two um amounting to 142 000 we have 65 cases pending um the accounting department in terms of the key payments uh the number of retirees as of october 15th to 2025 beginning of our fiscal year is eight thousand seven hundred and seventy seven the payroll for that period was 11 million remember the six thousand nine hundred thirty dollars and sixty seven cents a number of retirees added to the payroll between october 1st and 15 uh were eight number of retirees added to the payroll for october 15th day date was 20.

0:10:02 uh the number that we expect to be added on the october 30th day date is 12 and thus far in fiscal the year 2026 we have deleted uh 20 retirees of course due to uh to their passing um and as i indicated as of october 15th our payroll is 11 million three hundred eighty six thousand number 30 dollars and 67 cents as usual most of our disbursements are within the territory some seven thousand nine fourteen uh we have a thousand seven fifty eight payments that are made outside of the territory to include puerto rico united states and international um regarding the loan portfolio as of september 30th 2025 we have 2580 active loans personal loans and overall we have 2616 loans because we have 36 uh outstanding legacy knowledge loans our portfolio balance as of september uh as a present at the end of fiscal year um 2025 um was 20 million 895 000 five dollars and 58 cents but it being basically evenly split between the two districts in lecroy and st thomas we have a lengthy operational report we will now go through in uh great detail but we're available to answer any questions that there may be

0:11:58 um i know that security is usually an issue of concern for trustee dorsey uh on st croix we have purchased additional cameras and replaced a number of our existing cameras to keep our uh security system in terms of video surveillance uh robust um we once again an issue of interest in trustee dorsi in his role as a fire professional we're looking for some fire related equipment for St. Croix that's a work in progress um our building has a minor leak that we're working on addressing and we have some minor issues with our rental properties pleasant ophthalmology we can see the control conditions that are being addressed um and our usual gear conditioning maintenance duties uh st thomas office complex we have some air conditioning issues that have been addressed as well of course in this climate the air conditioning is always a challenge um a major item with regards to st thomas is the renovation of the restrooms that well we had to bring them into ada disabilities act compliance uh we did issue an rfp unfortunately we did not get any responses uh we're re-advertising the rfp i think what we're beginning to experience is a lot of uh contractors being light up with uh with governments

0:13:52 work particularly in the schools so hopefully we will get some contractor that will have a responsive bill for us what i was doing the new dates are listed on page eight of my report of course if any of the trustees know any contractors that they think should be aware of this rfp and would like to refer them to us uh for consideration please uh feel free to do so uh no issues with our generator fortunately we're on the tail end of the hurricane season it's not yet over but we're prepared uh more particularly we're prepared for wapa and it's uh frequent occasionally outages um and uh as i indicated we do have some ongoing ac issues one of which deals with the vipd category and place a unit affecting that area uh we're also looking at doing some rehabilitative work to our parking lot here at this building at hayman sites um we have advertised the green space uh rp and we hope to get some more interest in the project in terms of what the the construction so to speak of the green space uh the welcome center is proceeding quite well is about 75 percent complete um the building three which is commonly known as the delhi deck building everybody knows that reference the catwalk that collapsed some time back has been completed essentially um we've done quite a bit of work in terms of the rehabilitation of the roof for building three that is an ongoing

0:16:01 project we have also executed a contract for the painting of the shop buildings in keeping with our rebranding efforts and more information will be forthcoming of that as we get closer to march um our new generator has been installed as 98 percent complete and is working um in accordance with the outline scope of work uh throughout our three center power outages so that's a tremendous relief cannot feel that calls from our tenants when wapa goes through its issues in the legacy generator that was on the property uh in terms of our rental collections um we in september 2025 we collected 34 643.47 bringing us to a total of 1 372 000 for fiscal year 2025. we do unfortunately have some marriages and as usual it would be related to the department of justice primarily the division of personnel has a small balance for electricity and our private sector uh tenants uh we have some very mining um marriages there and we also have a a utility area a small one from the uh so i heard you say something i didn't hear what you said okay well i don't usually call the private tenants names but that's good so we have even less outstanding from the private sector all our is our probably the public sector as usual we do expect uh to collect um they're

0:18:13 now at the beginning of the fiscal year so um they should have some authorization because unlike the federal government's diversion island's government has that was that has been passed this is the chairman that concludes my report all right thank you any questions for the ceo sorry about that sorry about that um i have a question for this you had two items um the october 10th meeting with the hospital what was that exactly about that was actually for them to bring us up to speed on a couple of issues it was a working session i also had um our chief benefits officer miss sasso and our cfo as jeremiah um of course with any agency we will have pending issues regarding a person's waiting to be retired and contributions that may be due so uh we established that working session to be continued um as the two areas work with uh mont louis they also brought us up to speed i did have our chief information technology officer mr thomas um on the in the meeting as well uh brought us up to speed with regards to their cyber security attack they've been very um diligent in their federal partners in minimizing the uh effects that follow from that attack and they've gotten

0:20:05 their systems back up and fully operational in terms of any payments that they made any additional payments or they're on a payment payment all the time so um it's a matter of reconciling whatever additional monies are older so that is a work in progress okay and then the other item was the october 17th announcement was there a ceremony for the appointments the memorandum or you didn't have a function like in-house i greeted each of the promotees or appointees personally and shared with them uh the good news and the presence of my uh my my hr and operations a chief operations officer okay i think i don't know we uh trusty dorsey we also we also have our quarterly uh all staff meetings where promotions birthdays anniversaries are celebrated with everyone present oh okay that's nice it's very nice um my other point was to i guess mr um is there any particular time there's a question that comes up to me sometime when people are looking to retire they're asking me if they have all their paperwork straight from their agency is there a particular time during the year when is the best time uh to lead this system i would not say that it's a best time for any particular let me clarify person we encourage teachers um obviously it's kind of in the school system to go at the end of august or the end of december so that they go in the school year here um for everyone else it's when most boston's try to go on their anniversary dates but we're always encouraging venture um when you said the features was between august and december um well you said something after that for the rest of the regular employees we said that i said that we encourage individuals

0:22:58 to retire at the end of the month because your benefits become effective on the course of the following month so if you go in the middle of the month you have a tendency to lose a chance so we encourage you to go at the end of the month so your annuity kicks in on the course of the um but it's a personal choice some bosses depending on the age or somebody like to retire can you just explain the when you say the anniversary is when you came into the government okay okay thank you okay any questions pertaining to the administrator's report so mr jeremiah treasurer's report Good morning Board Chair of the Trustees. This is the Government Employees Retirement System. Scheduled overseas and dispersement for the month ending September 30th, 2025.

0:24:16 It speaks from collections. We have loan repayments for the month of September 616,353. Year to date 7,824,629 employer retirement contributions 7,204,214 for the month of September. and year-to-date $102,591,360. Employee retirement contribution $4,123,576.

0:24:56 Year-to-date $52,560,086. We have total collections for the month of September of $12,175. year to date 268 million 293 925 we have disbursements we have annuity payments of 23 million for the month of september year to date 278 million 647 494 we have administrative expenses of 1.7 million year-to-date 19 million total um refund of contributions we have 595 000 year-to-date 11.2 million total disbursements 25 million 649 614 dollars year-to-date 313 million $346,648. For the month of September, we have a net cash deficit of $13.6 million and a year-to-date cash deficit of 45 million going down to the haven site for the haven site um we collected 487 913 for the month of september the age date 6 million 313

532 We disbursed $525,562 for the month of September, year-to-date $6.2 million, and for the month of September we had a net cash deficit of $37,000, and for the year a cash surplus of $105,888.

0:26:56 that's the end of the thank you any questions for the cfo i have a motion to accept the treasures before so move second Trustee Clark? Yes. Trustee Clark, yes. Trustee Dorsey?

0:27:32 Yes. Trustee Dorsey, yes. Trustee Liger? Yes. Trustee Liger, yes. Trustee Russell? trustee russell trustee russell absent trustee smith trustee smith trustee smith abstains trustee collard yes trustee collard yes uh mr chairman already yay uh one absent one abstin thank you is trustee smith still present we can't see who she is she is i can't see her thing is off so i guess she's having problems she's trying to speak she just took it off i did say yes for the treacherous report okay can we get that yes so trustee smith yes so mr chairman of that vote it's five you want it all right thank you mr chairman okay next up you have the investment officers report mr henderson yes sir uh good morning um mr chairman other trustees This is an update of the investment portfolios of September 3rd year 2025, subsequently also for the end of fiscal year 2025. So just to begin with a little highlight of the markets for the quarter, global financial markets recorded strong gains driven by sustained demand for artificial intelligence technology.

0:29:32 We had robust corporate earnings, a widely anticipated interest rate cut by the Federal Reserve. Also, we had the weakening of the US dollar, which further bolstered emerging markets. Domestically, we saw strong gains as the market continued to benefit from moderating inflation, steady economic growth, and overall optimism about technology-led productivity improvements. We also saw a shift in monetary policy that was looked upon well by investors.

0:30:09 International developed market highlights, we saw stocks had a modest gain, albeit trailing global counterparts. Inflation continues to ease across the eurozone, supporting expectations for further monetary policy accommodations. Equity movements also played a role as weaker euro against the U.S. dollar provided some support to exporters. Emerging markets, we saw equities, emerging market equities outperform their developed market counterparts broadly based on gains in Asia, supported by policy easing, improving trade conditions and strong technology demand. Also, I saw for U.S. dollar and global rate cuts further supported capital flows into emerging markets.

0:30:58 And in fixed income, we saw the U.S. market was positive, fueled by the Federal Reserve's forced interest rate cut of the year. We also saw modest decline in treasury yields and a notable rally in municipal bonds and corporate credit spreads, which supported returns across the market. What did that mean for the performance of the plan overall? So month to date, the total plan was up 2%.

0:31:28 Fiscal year to date, we saw strong returns as the plan was up about 12%, 12.2%. So we had strong, strong performance for the fiscal year. Total domestic equity was up 3.4% for the month. For the fiscal year, we saw a strong 17.7% return in domestic equity. Month-to-date, the Russell 1000 index returned 3.5%. The Russell 2000 index returned 3.2%. On the international side, international equity returned 3.3% month-to-date. Our developed market equity returned 2%. Emerging markets had a strong return at 7.1%.

0:32:13 Overall, for the fiscal year to date, international equity has performed well or strong at 16.7%. Our total domestic fixed income month to date was up 0.9%. Our investment grade bonds was up about 1.1%. Our tips portfolio was up about 0.4%. we had about a 0.8% return in the high yield bonds for the month, and our cash had 0.3%. Fiscal year to date, our fixed income portfolio was up about 4.9%, so another strong performance in terms of the fixed income for the fiscal year. As it pertains to cash flow, we ended the month at approximately $495 million, so we We begin the month at about $485 million.

0:33:08 We have a net cash flow of about $28,000. Negative income of about $41,000. We have an unrealized appreciation in the portfolio of about $10.1 million. That brought us to that ending market value of about $495,000. $495 million, excuse me. Fiscal year to date, again, showing strong performance. We began the fiscal year at about 485.1 million. We had a negative cash flow in the plan of about 48.9 million.

0:33:45 We had income of about 619,000, but we did have an unrealized appreciation in the portfolio for the fiscal year of 58 million, which offset that net cash flow somewhat. So that brought us to that ending market value $495.2 million. As it pertains to fees, month to date, we paid about $16,000 custodian bank fees. Year to date, we've paid about $342,000. That was calendar year to date. And fiscal year to date, ending September 3rd of 2025, we've paid about $441,000 and that was distributed as about $115,000 for investment management, about $246,000 for investment consultant fees and about $80,000 for custodian bank fees. Again, as of the end of September, being that we're in low, we're in passive index funds, low fees, we continue to pay a small portion of fees relative to assets under management at 0.03 or three basis points.

0:35:00 Mr. Chairman, that concludes my report. I'm happy to answer any questions. Thank you, Mr. Henderson. Anybody have any questions for the investment officer? yes i have a question um mr henderson just a question um i was just wondering if we should be showing um either your report or either on mrs um jeremiah's report when we do the uh funding note and we show the um the shortcomings of that note i think we're up to a hundred and something uh thousand i'm sorry 100 something million if we should be showing that figure some place carrying it some place that we can see it in the monthly report what would be the benefit what would be the benefit of i just felt like we could show everything that's going on with the plan so the public would be aware uh we mentioned it at the time when we would get the annual payout and then we would talk about it for a little while and then that's it um we might mention again when we're in front of our advisors i know you guys went on a trip to i guess speak to uh someone in dc and the houseways and meeting committee i can't remember the names i'm not sure if that was mentioned i know we didn't get it in the big beautiful bill from the current president but that doesn't mean it should be off the table i think if we can just show to carry it uh it's something that we can look in terms of future strategy to still try to get that money doesn't mean we still can't get it so i was just wondering if

0:36:57 it's a place we could carry it that's what i was asking mr i mean if the investment officers report is a report about the performance of the portfolio so money that's told to you that they don't have it's not their portfolio it's not performing but it's not to say we you know we write it off and we will never hope to get it at some point if you show up at some point shows up but to carry it it's not part of your portfolio i would also add mr chairman that you know our report is a monthly report so you know we would we would carry you know monthly figures and fiscal year figures um the hundred million you're speaking about mr dorsey would be over in a certain period of time so i i don't know how i mean if you want me if if the boards um no i was asking mr yeah just asking a question yeah it's money that we're supposed to receive from the finance authority we didn't receive it technically you can't track it yearly or you can't track it monthly and yearly with the fiscal year number that negative 48.9 million is essentially pretty much the shortfall um for for the fiscal year that we have to make up okay i just i just like an item at some place either in this here or my report or your report some report that it would just be reflected because you know it is part of our history our current history um we just got to pay out with short again we talk about it like i said but i mean if it's not then it's not if it can't work then it can't

0:38:50 work it was just a thought um some of the questions that people asked me in passing some time um so i just bring it up again i thought it was something to bring up since i received it on more than one occasion so i don't know what it is maybe something that we could add on the on the on the um quarterly newsletter or something like that okay so mr chairman a few points uh of relevance because they're like two different conversations are brewing at once uh with regards to the publication of the shortfall it was published as recently in my last release that indicated to the entire public that the shortfall is now approximately 112 million dollars given the 90 million that we didn't receive in 2023 in 20 2024 and 2025 but now with the additional monies that we haven't received for fiscal year 2026 so if our record is repeat with knowledge of what the shortfall has been in terms of it being something that we carry on our financials our cpa uh has advised against over accruing the monies that have been pledged uh from the funding note and placing that on our financial statement precisely because the receipt of the full amounts is uncertain so it would be a violation of accounting principles to actually include this in any way in our financials my understanding of the funding note is that whatever is missed in terms of payments per the schedule will be added on to the end and we will not release the government and the pfa of its obligations under the funding note it will be piggybacked onto the end of the

0:40:47 note so instead of it being 30 years if it ends up being 35 years or 37 years or whatever it takes to receive the entire 3.8 billion dollars that's what the gdrs will do and we have the information and the information is duly noted throughout our files um i appreciate that ceo may i have a copy of that language as to what you stated that it will be added on to the end uh it would be in the transcript that the reporter is taking right now of this meeting verbatim no what i was saying you said it's in a document that i guess that was part of the bond that's paying us annually so there's language that speaks to that that's what i'm asking you i will defer to our legal counsels on that number is that attorney myers or attorney williams oh it says boom so attorney myers sent you there um there's language that speaks to what the ceo just said that it will be added on the 112 million to the end so instead of 30 years it might go to beyond the 30-year number there's language in the transaction of that bond that's paying us annually that speaks to that attorney myers or attorney williams what the ceo is what the ceo stated is correct we are due the amount of money whether it takes 30 years or 32 years i will have to double check where that particular language is i can give that back to you okay i would like a copy of that uh attorney myers uh ceo mr um ceo dawson i would like a copy of that

0:42:43 language please any other questions for the investment officer okay can i have a motion to accept the official report so move move by trustee smith seconded by dorsey uh trustee clark yes trustee clark yes trustee dorsey yes trustee dorsey yes trustee leiger did he leave yeah trustee leiger absent at uh at this vote trustee russell absent trustee smith yes russie smith yes russie yes mr chairman or yay to absolutely great but i have a motion to give it to the executive session so moved back in you know portion of the meeting will be closed to the public for matters for to create secrets or financial or commercial information or personal or legal matters the matters whose premature disclosure will frustrate the implementation of the proposed agency who's the mover trustee clark who was the second dorothy

0:44:39 let's see clark yes let's see clark yes trustee dorsey yes let's see dorsey yes trustee labor absent trustee russell absent christie smith yes russie smith yes let's see howard yes mr chairman 482 absent okay uh let's recess with four minutes

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 Andre Dorsey**
heard in this transcript as: Dorsey

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

2x **Senator Marvin Blyden**
heard in this transcript as: Margaret Blyden

2x **Trustee Ronald Russell**
heard in this transcript as: Russell

Bills and acts referred to

Matched by number against our own acts corpus. The number is what the recognition heard, so it may be wrong; where it resolved, the title is the one the Legislature gave the act.

Referred to but not found in our acts corpus: Bill 36-0122