GERS BOT's Monthly Meeting 6/18/2025

GERS Retirement System (Board of Trustees)

June 18, 2025 · 0.6 hours · gov

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0:00:00 Thank you. yeah yeah yeah i'm here you know okay i was asking how does it look from the other side oh yeah it's it's it's it's different it'll take some ways it'll take some getting used to for me well we're ready to begin when you are sir okay all right let's go so is government employees retirement system of the virgin alums regular meeting of the board of trustees for wednesday june 18 20 25 is there by carl to order have a roll call please yes good morning mr chairman and trustees president trustee common clark in person trustee andre dorsey present let's see dorsey present trustee vincent liger steed liger absent um at the appropriate time i'll read on her from um ex-officio member cindy urgeson

0:01:52 trustee ronald russell trustee russell absent trustee leona smith trustee leona smith present trustee dwayne collwood is it virtually mr chairman more present uh two absent all right thank you we have a quorum um are there any comments and suggestions from retirees Are there any comments and suggestions from active members? Okay, let's move on to the Secretary's Minutes from the May 29, 2025 meeting. there any corrections or at least to be made into the minutes um one is the chair i think the correction on the minutes we did not have um when we were trustee uh there was a glided um what was it i think he was present to those videos uh yes he was he was not initially but he was he was so we'll have that corrected the minutes okay any other corrections or edits can have a motion to accept the minutes as amended so move move by who was dosi is there a second second okay move by trusty dosi seconded by chelsea clark have our roll call please

0:03:43 uh yes trusty clark yes let's see part yes trusty dorsey yes let's see dorsey yes trusty lighter absent trusty russell absent trusty smith yes i said i'm sorry yes and this will the motion reflects as amended correct Trustee Caldwell? Yes. Trustee Caldwell, yes. Mr. Chairman, four yes, two absent. Thank you. Are there any communications and correspondences? We read into the e-record.

0:04:26 Yes, Mr. Chairman. Letter dated June 10th, 2025. The rest of myself, Angel Dawson, Administrative CEO. CEO of the ERS there, CEO of Dawson, I'm writing to inform you that I will be unable to attend the VRS board meeting scheduled for Wednesday, June 18th, 2025, due to a scheduling conflict with another board meeting that I am required to attend at the same time. Unfortunately, no representative from the Division of Personnel will be available to attend on my behalf, as all potential members of my management team have prior commitments. for your understanding and i look forward to participating in the next scheduled meeting sincerely cindy l richardson director of the personal and that concludes the correspondence okay um the chairman's report i have no report for this meeting let's move on to the administrator's report uh yes mr chairman the administrator's reports so with regards to meetings presentations and appearances on May 30th I conducted an extensive Haven site focus meeting at Haven sites with Haven site staff going over all of our pending items on may 30th we also launched the enter the launch phase of the velocity migration if we didn't enter we concluded the launch phase as you'll recall we kicked off the migration project in march and the launch phase was the very first phase of the migration that lasted approximately three months as indicated successfully concluded uh there'll be more

0:06:31 information regarding the migration uh later in my report as well as and more importantly in our border streets next month um on june 2nd we began the retiree loan program in terms of appointments being scheduled um i'll also be providing information with regards to retiree loan program on june 3rd we had a meeting with our consultant ideas with regards to phase three of the haven sites update that is ongoing on june 4th i issued a memorandum that all trustees should have received a copy of where we formally indicated and reminded everyone that effective the beginning of fiscal year 2026 we will be increasing the employer contribution rate by three percentage points from 23.5 percent to 26.5 percent on june 6th i met with uh along with members of my management team and management at haven side uh with waiko uh on various issues on the property. Nothing untoward, just routine discussions. June 9th, we had the velocity base migration, the phase kickoff. So after the launch phase, we have the implementation phase. And the first phase, subphase of the implementation phase, which is expected to last, uh was scheduled to last 13 months is the base migration followed by the application stabilization functional testing and configuration then the automated regression regression testing and reconfigurations and enhancements of the of our pension benefit system once again this will

0:08:33 be covered again in great detail in the retreat next month we'll have representatives of most importantly BITEC but we'll also have Linnea present at the retreat. I had also shared the project overview back in March when we had the kickoff with all trustees so these documents are available for you to refer to if you so decide continuing on with my reports this place okay um and then on june 12th and 13th uh we engaged in negotiations with the united steel workers with regards to the contract uh renewal uh this continued again to yesterday uh june uh 17th and uh clearly we won't discuss negotiations in a public forum uh yesterday we also had the great pleasure of introducing steve lark to the staff here on St. Thomas, both at GERS Maine as well as Hayden's site. So hopefully you enjoyed it.

0:09:58 Continuing on with my reports, for member services, retirement applications, we have a total of 161 applications uh that are in progress um most of them for for the year 2025 40 of those are for well the remainder 51 of for prior years and may be pending for any number of reasons um contributions processing refunds and death benefits for the month of may we processed uh 50 cases amounting to some 391 688 dollars and we have 103 cases pending and being worked through the system uh death benefits in the month of may we completed four cases totaling two hundred and fifteen thousand eight hundred thirty seven dollars uh we have 66 cases pending and being worked on presently um from the accounting department the annuity payments for the period october 1st 2024 through june 30th 2025 we've paid out some 192.3 million dollars the vote of which 187.8 million dollars will serve as retirement annuities. The number of retirees added to the payroll for the fiscal year thus far is 217 through June 13th and then another 10 were added for the June 13th payroll. We expect another 10 to be placed on the payroll for the June 30th The number of retirees deleted from payroll for the fiscal year thus far is 212. Once again, the number of deletions is keeping part with the number of additions.

0:12:09 As of June 13, 2025, our semi-monthly retiree payroll is $11.4 million. dollars uh we have uh generally 9472 disbursements per a period with 7732 in the territory and 1720 outside of the territory with regards to the loans portfolio of course i indicated that we kicked off the loan application process for the limited retiree loan program on uh july 2nd and not july july 2nd rushing the year up and on uh and we have a uh update us to where we stand with that program uh just to refresh everyone's recollection the authorization from the board of trustees was for a program with 15 million dollars 7.5 million dollars for district um with a maximum loan size of 7500 dollars as of june 12 2025 we had a total of 144 retirees processed in st thomas and john district and 126 in the st croix district of the 7.5 million dollars per district. We have thus far processed $1,040,775 for St. Thomas, which would represent 13.8% of the allotment, and for St. Proy, we processed some $936,600, which represents 12.4% of the allotment uh we will be uh me and the um director of loans as well as pertinent management uh examining the retiree and the active loan program and making recommendations to the board with regards to both uh between um july and august so um like you all to stay tuned for that we will certainly have recommendations with regards to programs um our overall loan portfolio as of june 18th stands at 2 186 units most of which are

0:14:51 uh personal loans at 2020 we have 66 legacy mortgage loans in terms of dollars we have a portfolio size of 19.7 million dollars that's including all categories uh 10.3 million dollars is in the St. Thomas and John District, $9.4 million in St.

Croix District. With regards to operations, our routine maintenance projects on St. Croix, we completed a parking lot lighting project that's excellent, that was very much needed, it was a safety concern, so kudos to Mr. Dempster and his team on St. Croix.

0:15:43 um we also had some ceiling repairs um well we are waiting uh forwards for the ceiling repairs on the first floor in st broy uh parking lot striping we have received bids from three companies and um apparently there's uh wrong column replacements it's so uh we are waiting quotes on that as well uh and st thomas importantly um we our elevators and if anybody has been in our elevators they're very slow one of them is actually i know you were probably rushing in this morning and counting the minutes um but one of them is out of order the other one is uh very slow and we do need to address that matter uh so we are uh seeking polls um to have doors replace haven site mall um the hotel developments is the star of the day it is the project is 95 complete actually received communication this morning they're taking reservations for the month of september so beginning september 1st you can go to hampton by hilton website and make your reservations there's a soft opening because so to speak in august as they will be shaping out uh whatever um bugs that there may be um the visitor center is also progressing quite nicely i invite uh everyone to take a drive by you can see the visitor center under construction and i'd like to at the appropriate time find out from the trustees um who have not had an opportunity to visit the project uh like trustee smith i don't think you've been able to go trustee dorsey you haven't been able to go as yet i would like to arrange uh dates for all trustees uh individually or collectively to uh to visit so trustee smith if you would let me know what works

0:18:02 for you trustee dorsey if you would let me know what works for you i will arrange a tour um with the with the developer it doesn't have to be in this meeting you can call me or text me after um with regards to our general rents not including even site mall we're in a very good situation actually it surprises that the department of justice is completely current um they all for neither rents nor for utilities um as division of personnel as of the date of this report uh does have an outstanding balance of thirty seven thousand dollars for electricity it may have been received subsequently uh it's on its way uh and the remaining balance is the minimum of eight thousand some odd dollars so we're in an excellent position with regards to and total collections.

0:19:03 As the chairman, I conclude the administrator's report. All right, thank you. Any questions for the administrator? Good job, CEO. Thank you, Trustee Norsi. And Trustee Clark has a question. In terms of the loan portfolio, what's the average interest rate across all the units? I mean, how generally 8%? Now we have some legacy mortgages and by legacy, I mean, we haven't done mortgages in years. So those probably have a, maybe a lower interest rate that I have, but generally it's 8% which importantly exceeds the actual rate of return of 6%. Okay. Any other questions for the administrator?

0:20:01 all right um committee reports there are none um treasurer's report mr henderson you're up um mr chair that's uh oh this is the second month and already do that ah miss miss jeremiah i'm so sorry i apologize Sorry, it's Jeremiah, you're up.

0:20:49 Good morning, Chair of Trustees. This is the Government Control Lease Retirement System, the schedule of receipts and this person i'm sorry before you proceed mr moses can you remove the the grid view so we can see the full screen report thank you So, this is the Government Employees Retirement System, scheduled receipts and disbursement for the month ending May 31st, 2025.

0:21:36 Receipts from collections, loan repayment $531,847, year to date $5.3 million, rent from tenants $140,000, year to date $772,000. Employer Retirement Contributions, $8,867,422. Year-to-date, $66,849,147. Employee Retirement Contributions, $4,465,928. Year to date, 23,983,854 for a total collection of, I'm so sorry, my touch screen is not working.

0:22:37 Correctly. Total collections for the month of May, $14,402,828. Year to date, $210,767,221. our disbursements we have annual payments of so she is not working today and into payments of 23 million for the month of may year to date 185 million 962 000 our administrative expenses were 2 million 49 924 Year-to-date $12,775,166. We have refund of contributions of $931,537. Year-to-date $7,582,739.

0:23:40 for total disbursement for the month of May of $26 million, $104,093 year to date, $206,506,662 for a net cash deficit in the month of May of $11.7 million, and a net cash surplus for the year of $4.2 million. I think it's important to note of course that this these collections are net of the shortfall of the funding notes this year but so far approximately 45 million dollars and then we also have a shortfall but we're still awaiting collection on from the required fiscal year to another 40 odd million dollars so we're about 19 million dollars behind collections from the promised funding so we'll be covering all of that as well extensively until reported through so thus far for the year we have withdrawn from the investment portfolio 110 million Then we go on to Haven site. Total collections for the Haven site Mall for the month of May, 460,962. For the fiscal year, 4,222,489. and we have expended $331,176 for the month of May. Year to date, $3,087,285.

0:25:34 We have a net cash surplus in May of $129,000 and year to date, $1.1 million. kudos to the havens my team and they are 28 of the projects so they're keeping with it thank you mr jeremiah any questions for the cfo uh trustee dorsey um excellent job miss jeremiah and your assistant that stood in last meeting was also good as well that's all i had to say thank you it's all three was excellent okay um now mr henderson the investment officer's report you didn't have to vote on um with jeremiah's report yes motion to accept that can i have a motion to accept the treasurer's report so moved Move by Trustee Dorsey, seconded by Trustee Clarke, cover roll call please, Mr. Dawson. I think it was seconded by Klausi Smith, or was it moved by Smith?

0:27:01 Do we want to rearrange the names on my salary sheet? Yes. I'm hearing, I think I'm hearing a slight delay, so you're probably catching it more accurately. Trustee Smith moved the motion and it was seconded by, I think, Trustee Dorsey and Trustee Clark. Okay, so moved by Trustee Smith, seconded by Trustee Dorsey. Right. Please.

0:27:31 Trustee Tomlin Clark? Yes. Trustee Clark? yes trustee andre dorsey yes see dorsey yes trustee vincent leiger trustee leiger absent trustee ronald russell trustee russell absent trustee leah smith yes trustee smith yes trustee dwayne college yes i see power yes mr chairman fourier two absent thank you mr administrator um next item the investment officers report uh good morning mr chairman um other trustees uh this is an update of the investment portfolio as of um may 31st 2025 um may was uh we had we had global shares was up in may um as tariff concerns eased uh the us and china agreed to suspend tariffs on most goods for 90 days which was good for the market um on the flip side um u.s sovereign bond yields increased as you know as ban use increased prices um dip due to rising um debt sustainability worries uh in the u.s um we saw shares rise again as though as those tariff PAWS went into effect for 90 days. We did have strong gains in information technology, communication services and the consumer discretionary sectors within the month. In the Eurozone UK, shares also rose in May with industrial information technology and financials performing well while healthcare lagged a little bit. Despite the pause in the US-China

0:29:25 tariffs, the market volatility persisted due to the President or President Trump's trip of 50% tariffs on the EU starting June 1st. Emerging markets was up as well, although not as much as developed markets, a temporary tariff agreement between the U.S. and China eased free tensions and reduced recession fares. This benefited Taiwan, Korea, where investor optimism in AI was strong. Also, South Africa and Mexico outperformed during the month due to currency strength and interest rate cuts. On the fixed income side, Moody's downgraded the U.S. credit from AAA to AA-1. Moody's was the last major rated agency to hold out downgrading U.S. credit. And they did it over deficit concerns. And the longer-end Treasury yields rose on concerns about U.S. fiscal conditions which drove a sell-off across global government bond markets.

0:30:37 As it relates to high yields or U.S. high yield, they performed well due to improved sentiment and reduced recession concerns. How did the GRS plan perform during the month? The plan was up about 2.7% month to date. Fiscal year to date, the plan is up about 4.6%. domestic equity returned 6.4% for the month with the Russell 1000 index leading at 6.4%. Our Russell 2000 index was also up about 5.3%. Our total international equity portfolio was up 4.5%. The developed market equity returned 4.7% and our emerging market equity index returned 4% flat. Our total domestic income portfolio was down slightly 0.1%.

0:31:35 Investment grade bonds was down slightly 0.7%. Our TIPS portfolio was also slightly down 0.6%. High yield bonds, again, as mentioned earlier, had a strong return in the month of 1.7%. percent uh we did get you know some cash um return in the portfolio from the cash that we held at 0.4 uh and our total alternative portfolio returned 0.4 for the month uh it relates to total plan assets uh we ended the month at approximately 512 million uh we had a beginning market value of about 500 508.2 million dollars uh we saw a net cash flow in the month of about 10 million dollars uh we did have some income in the portfolio of 195 000 um primarily related to um to our haven site um investment uh we did have an unrealized appreciation in the portfolio for the month of about 13.7 million uh that brought us to that ending market value of about $512 million. Fiscal year to date we began at $497.2 million.

0:32:55 Fiscal year to date we see a negative cash flow of about $8.6 million. We've seen income of about $1.5 million. Again, most of that $1.5 million heavily based on our investment from the Haven inside mall. We had an unrealized appreciation in the portfolio of about $21.8 million. That brings us to the ending market value of about $512 million. We did have to raise some cash in the month of May to replenish our cash on hand. We did have to raise $7 million from the Russell 1000 index. We took $5 million from our developed market portfolio. We did take $4 million from our US aggregate bond index and we took $4 million from our US high yield bond index to raise that $20 million. As it relates to investment management custodian and consulting fees, month to date we paid about $46,000. That was split between $30,000 for investment management fees and about $16,000 for the custodian bank fees. Year to date we've We've paid about $234,000 and fiscal year to date we've paid about $333,000 with a breakdown of $183,000 going to investment consultant, $86,000 going to investment management and about $64,000 going to the custodian bank. continue to pay low fees on our on our portfolio uh at a to the tune of about 0.3 0.03 percent or three basis points uh mr chairman trustees that concludes my report and i'll be happy to answer any questions you may have thank you mr henderson any questions for the investment officer

0:35:00 Hearing none, can I have a motion to accept the investment officer's report? So moved. Moved by Trustee Dolce. I couldn't tell who was the second. Clark seconded. Okay, so moved by Trustee Dolce, seconded by Trustee Clark. Can I roll call, please? Yes, Trustee Tomlin, Trustee Clark, yes. Trustee Ed Reed, I think. Yes. I know, but someone needs to mute. Thank you. And Trustee Dorsey, yes. Trustee Vincent Liger. Yes.

0:35:44 Oh, Trustee Liger is. Yes, I'm sorry. I'm late, but I'm here. Okay, very well. We will reflect the update, the records accordingly. Trustee Liger, yes. Trustee Russell. Trustee Russell, absent. Trustee Smith? Yes. Trustee Smith, yes. Trustee Caldwell? Yes.

0:36:10 Trustee Caldwell, yes. Mr. Chairman, five years, one absent. Thank you, Mr. Dawson. Privileges of the floor. All right. Hearing none, can I have a motion to adjourn? Move. Second. all right mr dasi i have to tell me who moved in a second i sounded like clark and seconded by all right can i have a roll call please yes uh trustee clark yes trustee park yes trustee dorsey yes trustee dorsey yes trustee leiter yes trustee leiter yes trustee russell Russell absent. Rusty Smith? Yes. Rusty Smith, yes. Rusty Colwood? Yes.

0:37:06 Rusty Colwood, yes. Mr. Chairman, five years, one absent. All right. Thank you. This meeting is John. Thank you very much for your time, ladies and gentlemen. Have a good day. Okay, bye. Thanks.

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.

5x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

5x **Trustee Leona E. Smith**
heard in this transcript as: Smith

4x **Trustee Vincent Liger**
heard in this transcript as: Liger

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