GERS BOT's Monthly Meeting 8 8 24

GERS Retirement System (Board of Trustees)

August 8, 2024 · 0.7 hours · gov

0:00:00 All right, good morning. Good morning. This government employee's retirement system of the Virgin Islands Regula Meeting, Board of Trustees, for August 8, 2024 is held by Carl's order. Can I have a roll call, please? Yes, Mr. Chairman.

0:00:29 Trustee Nellan L. Bari? Present. Trustee Bari, present. Trustee Andre T. Dorsey? Present. Trustee Dorsey, present. Trustee Vincent G. Liger? Trustee Liger, absent. Ex-officio member Cindy Richardson? I'm not hearing you well. ex-officio member cindy richardson okay absent i'm here good morning i didn't hear anything good morning trustee ronald e russell present trustee russell present trustee leona e smith Present.

0:01:23 Trustee Smith, present. Trustee Dwayne A. Colwood. Present. Trustee Colwood, present. Mr. Chairman, there are six present, including ex officio member Richardson, and one absent. Thank you. We have a quorum. Are there any comments on suggestions from retirees? Erin, are there any comments and suggestions from active members?

0:02:05 Secretary's Minutes, item number five on the agenda. We have the Secretary Minutes from the May 30th, 2024 meeting. Are there any corrections or adjustments from the May 30th, 2024 meeting? Point point information there. Yeah, I forgot to mention I have a. Time with us today, um, in terms of voting on anything.

0:02:36 Okay, can I have a motion? Can I get a motion to accept the minutes on the May 30th, 20th, 24th meeting? So moved. Second. Moved by Trustee Dorsey. Seconded by Trustee Smith. Call, please. Yes. Trustee Bari? Yes.

0:03:07 Trustee Bari, yes. Trustee Dorsey? Yes. Trustee Dorsey, yes. Trustee Liger? Trustee Liger, absent. Trustee Russell? Yes. Trustee Russell, yes. Trustee Smith? Yes. Trustee Smith, yes. Trustee Colwood? Yes. Trustee Colwood, yes. Mr. Chairman, 5A, one absent. Are there any communications or correspondences? no mr chairman all right uh chairman's report i have none administrator report yes mr chairman good morning to you and to all trustees to all present either in person or remotely as usual i would begin with a presentation of meetings presentations and appearances since we did not have a june meeting and our we conducted our retreat in july we have a period of time spanning from essentially the beginning of june through the middle of july in terms of various engagements has been an eventful period i would like to in addition to acknowledging our regular attendees uh acknowledge the presence of mr jermaine mills our new uh director at the haven site property i'd also like to acknowledge the presence of our new my new executive assistant mr rain fleming uh it's wonderful to have you both uh on board uh with us uh so um on may 29th there was a meeting with EDA with regards to business referral and these are just highlights of course. May 30th we had our board of trustees meeting. May 35 I met with a senator regarding possible legislation. May 31st I held an introductory meeting between Mr Mills and and Mr. Roy Moorhead with regards to Mr. Mills joining us at Haven site. June 3rd, we oriented the new Haven site director, manager. June 3rd through 7th, we finalized planning of the board retreat. June 11th, I conducted a meet and greet for the new Haven site director with our tenants at Haven site mall. He was very well received. June 12, we met with ideas to review the Havenside brand and experience insights. June 13, we had an on-site meeting with Hampton by Hilton principal, or Whitley Hampton by Hilton principal.

0:05:55 June 18, we received a presentation from Linnea Solutions and an overview of their services. June 21, we held a update meeting on our loans program. June 25th, there was a meeting with the VA Port Authority to discuss the GRS Pension Plan. June 27th, we had a Vitec Update meeting. July 10th, Haven Development Meeting. And on July 15th, we had a meeting with Integrated Insight on the Appeal Survey results for Haven Site and the Haven Site property. We also, I'm pleased to announce on june 16th announced that we are now in a position to accept credit card payments and we did publicize that and it was very well received by our stakeholders continuing on with the report the usual updates member services retirement applications as of July 15th. So far in 2024, we've received 151 applications for retirement. 36 of those have been processed with the remaining 115 to be processed. Contributions processing, refunds and death benefits. Thus far, we've completed 538 cases for refunds this fiscal year, and that amounted to some $6.3 million. There are 47 cases pending death benefits. We have completed 41 death benefit cases amounting to $2.02 million. And we have 64 cases pending in terms of annuity payments, October 1st through through October 1st, 2023 through July 15, 2024, we have paid out some $213,165,014.29. The number of retirees added to the payroll

0:08:11 from October 1, 2023 through July 15, 2024, amongst the 206. The number of retirees added to the payroll from July 15, 2024 for the July 15, 2024 pay date was 10. Number of retirees expected to be placed on the payroll for the July 31, 2024 pay date is 7. Number of retirees deleted from the payroll from October 1, 2023 through July 15, 2024 was 230. As of the July 15-20-24 payroll, the gross retiree payroll amounts to $11,274,064.86. Disbursements by location, 1,769 of our retiree annuities are being paid outside of the territory, and 7,816 are being paid in within the territory for a total of nine thousand five eighty five with regards to the loan portfolio um give me just a moment please uh as of this report which it someone's saying something uh as of june 30th the number of active loans and this is going to be updated uh subsequently the number of active loans was uh personal loans was a thousand seven hundred and ninety eight with 914 within the saint thomas and john district and 884 in the saint croix district uh with regards to legacy mortgages and uh landlords mr chairman there's an uh an acting chairman so i'll take the liberty of asking everyone to please silence their phone we're getting some feedback thank you uh back to the loans report for legacy mortgages we have uh 70 with 51 being on saint thomas st john and 19 in saint croix total loans and mortgages uh 1868 for the territory with 965 on saint thomas and john 903 on saint croix as of the end of june the active personal loans territory-wide was 13.3 million dollars retiree personal loans those are legacy loans uh was 1.3 million dollars uh purchase refi loans mortgages were 1.2 million dollars

0:11:03 construction once again legacy loans 1.6 million and land loans was 347 000 the last three categories I emphasize our legacy loans as we're not any longer doing real estate loans. A total of 17.6 million dollars in loans outstanding at the end of June. That information however bears updating as in the interim given the fact that we were still engaged actively in the limited personal loan program which had a 20 million dollar authorization as of august 7th which was just yesterday and even that number continues to change but we were basically at the 20 million dollar allocation for the limited personal loan program with 9.7 million dollars outstanding under that programs in the st thomas and john district and nine million nine hundred eighty four thousand six hundred fifty five dollars of the 10 million outstanding on st croix so uh st croix was basically at the at the limit uh there was one or two uh loans still being finalized so as of today we may very well be right at the 10 million dollars uh speaking about the loan program i would like to at this time recognize i don't know if she joined us remotely miss michelle nico our uh deputy administrator on st croix with territorial loan responsibilities uh who together with her team did a superb job uh in executed the in executing the limited personal loan program uh with all the monies basically being expended um it went very smoothly i think it was a model for how things can be done and I'm very pleased with the result. I'd also like to thank Ms. Danica Thomas and her customer service team that was an integral part of ensuring that the program was a success. So at the appropriate time I will recognize all of the employees both within loans and customer service that were responsible for our having a resounding success. okay so thanks to them all the trustees can give them a round of applause that might be nice

0:13:31 continuing on with my uh reports for operations but there are no building issues at this time uh on the sink in this encroi office complex which is very well maintained with regards to st thomas we have essentially completed the installation of the new backup generator at the main office complex with regards to the haven site mall i'm pleased to say that the hotel project is approximately it says 51 complete but anyone that sees how that is flying up would realize that it may be everyday changes it's at least by a percentage point that it's well over have completed a model for how construction should be executed timely, efficiently, and within budget in the Virgin Islands. We're also in the process of installing a generator at the Haven Site Mall, because the current generator, given all of the recent outages, is not as reliable as we would like it to be, it to be and that's an understatement so when the new generator is installed that should really give us the reliability that our tenants require and that they deserve frankly we're also in the process of executing a contract for the green space and visitor center at the haven site mall that is being or will be developed in conjunction with the new hotel um excuse me uh of course we're in the process of finalizing the haven site mall strategic and infrastructure planning um and there was an extensive uh presentation on the haven site rebranded at our board retreat so we will be discussing that matter a bit more later in the meeting um with regards to rental collections uh we have an arrearage of well let me begin by thanking the personnel director uh the personnel division is completely current with regards to their rent and electrical so thank you very much director richardson uh we do have approximately

0:15:55 $186,000 in arrearage presently, and that is primarily attributable to the Department of Justice. So, of course, we all hear about the various cash flow challenges. We hope that we'll be able to get the Department of Justice to bring their rent, which includes electricity billings current but they really are approaching you know a point that we had gotten them back from they had become almost current and now we are up to four months of arrearage that's about all that I'm going to say on that matter this time but we are following aggressively with the Department of Justice to ensure that we receive the rents and electricity payments that are due Mr. Chairman, that concludes the Administrator's report. Sorry, any questions for the Administrator?

0:16:54 Yes, I have a couple of questions. Hold on. yes CEO I also agree with arm the loan rollout I was trying to say thank you but I'll say it now thank you for all the hard work on the loan rollout I've been hearing a lot of positives on that from the active members as i just listen so i really appreciate that from the staff um the other question i had which you probably can't answer now but you can answer in an executive session um in terms of the new property manager salary and if that person is a regular employee or not or if they're on contract and then my next question on the even site development on the contract with the green space and the visitor center if there is a contract um being executed if it was executed i could see a computer account and then the meeting you had with the court authority related to the pension plan um what exactly was that about or is that something you can discuss in the executive session it was primarily informational as you know the port authority is presently engaged in a ppp arrangement and there are certain decisions that have to be made with regards to whether employees at port authority will remain with gers or will there be an alternative arrangement so that is very much a work in progress um can you just explain to those who may know whether

0:19:04 public private partnership thank you okay thank you you're welcome sir any other questions on that um would you select the administrator's report I'd also like to begin by congratulating the staff on the rollout of the loan program. I too, like Trustee Darcy, have heard some good things about as much about the way we handled it as with the fact that we started again. So there are some good things being said about the way, just the way we handled the process. So I'd like to commend Mr. Dawson and his staff for that. Thank you, sir. Yeah. You mentioned in your report that you had a meeting with a senator. Are you at liberty to share what that was about? Or you want to take up that in a later session? And also... No, sir. Sorry. I thought that was a question.

0:20:28 Yeah, that was one. And the other one you mentioned about a meeting with Hampton by hilton i also would like to know what what that was about if and if if that's something for executive session fine i'll do it but and those are the two questions i had coming out of the coming out of your report thank you for the question sir uh so with regards uh to the meeting with a senator to discuss possible legislation uh i really since it was possible legislation and it was uh to provide uh information and possible guidance uh i i don't think that there's any further need to discuss that until and unless it becomes legislation at which point we would be weighing in publicly uh it's doubtful whether it would even materialize into legislation after my meeting with the senator so it would be a moot discussion and then with regards to the meeting with uh hampton by hilton we have regular update meetings with them this one was on site and it effectively a tour of the ongoing uh construction so there's nothing to discuss in executive session there's really nothing to discuss other than the fact that we were extensively updated on the excellent progress of the construction all the news okay one one last question does their project involve a standby generator or they'll be relying on ours well they are actually installing uh micro turbines uh which they will be completely self-contained so they will not be on the whopper grid and they will be generating their own power so they don't even need a backup generator effectively they are their backup

0:22:20 generator oh okay all right thanks you're welcome sir appointing information chair where trustee uh yes um ceo prior to you arriving on board when we were discussing let's go into executive session because i was made aware that i'm not a trustee um i also has limited time with us today so let's go into executive session there's some matters that we need to vote on so i'd like to get those accomplished um then we could resume if you could pick up at this point i want to get those matters voted on before we use a call so can i get a motion to go into executive session you're waiting for a motion to go into executive session most of the rearrange agenda talking to executive session i so moved but i guess the motion needs to say why we're going to um executive session somebody read it off the agenda please can i have a motion to go to executive session as this portion of the meeting will be closed to the public for matters pertaining to trade secrets or financial or commercial information or personal or legal matters or matters whose premature disclosure will frustrate the implementation of the proposed agency action can i get a mover move by trusty barry second can i get a second

0:24:24 moved by trustee barry can i get a second second seconded by trustee dorsey yes mr chairman uh trustee barry yes trustee barry yes trustee dorsey yes Trustee Dorsey, yes. Trustee Liger? Trustee Liger absent. Trustee Russell? Yes. Trustee Russell, yes. Trustee Smith? Yes. Trustee Smith, yes. Trustee Calwood? Yes. Trustee Calwood, yes. Mr. Chairman, 5A, you want to absent? Thank you. Before we actually disconnect the attendees, may I inquire if if senior deputy administrator uh clendon and gums was able to join i know she was joining and i may want her available with your permission of course uh for the if she could just say yes can she we want to hear her if she was so that's fine let's disconnect i'll just give her a call and put her on standby okay Okay, I'll proceed down with the Trezor's report.

0:25:57 Good morning, Board Chair of the Trustees. This is the Government Employees Retirement System. Schedule a receipt and disbursement for the month ending June 30, 2024. the 20 july information is not as um receipts from collections um loan repayment for the month of um june we receive 532 thousand three hundred and forty three year to date three million six hundred and thirty six thousand three hundred and ninety five we receive um employer retirement contributions eight million two hundred and fourteen thousand four hundred and ninety seven year to date seventy three million two hundred and fifty six thousand five hundred and fifty six employee retirement contributions four million four hundred and thirty six thousand eight hundred and forty four year to date 41 million six hundred and sixty six thousand five hundred and ninety one um from miscellaneous we received twenty six thousand nine hundred and eighty nine year to date 1,834,649 for total collection for the month of June of 13,266,682 year-to-date collection 245,239,628. Our disbursements we have annuity payments of 22,874,272 year to date 204 million 889 285 we have administrative expenses of 1 million 826 201 year to date 11 million 96 233 we have personal loans 4 million 822 600 year to date ten thousand ten million seven hundred and thirty six thousand two hundred and forty three we have refund of contributions six hundred and ninety thousand five hundred and sixty eight year to date nine million four hundred and eighty seven thousand four hundred and sixty six for total disbursement of 30 million 218 996 year-to-date disbursement 236 million 311 325 we have a net cash deficit in the month of June of $16,952,313 and a net cash surplus for the year of $8,928,304.

0:29:12 Year-to-date withdrawal from the portfolio was $110 million at June 30th, 2024. For the Haven Site Mall, we have total collections for the month of June, totaling $369,514. year-to-date $4,029,167. We expended $1,075,582 for a net deficit of $706,000 and year-to-date net deficit of 389 000. if you look on our statement of revenues for the month of june total revenues was 488 181 year-to-date revenue four million five hundred and forty eight thousand five hundred and fifty one dollars and we had a total um expense of one million one hundred and fifty one thousand seven hundred and thirty three for a net um decrease of six hundred and six six hundred sixty three thousand five hundred and fifty two and year-to-date decrease two hundred and nineteen thousand five hundred and twenty seven that ends the treasurer's report thank you mr amaya um any questions for the treasurer for the cfo all right can i get a motion to accept the

0:31:07 treasurer's report strong move Move by Trustee Dorsey. Can I get a second, please? Second. Seconded by Trustee Russell. Yeah. Roll count, please. Yes, Mr. Chairman. Trustee Bari? Yes. Trustee Bari, yes. Trustee Dorsey? Yes. Trustee Dorsey, yes. Trustee Lager? trustee like absent trustee russell trustee russell trustee you hear me not voting yes let's see okay yes oh we can now thank you trustee smith yes Trustee Smith, yes. Trustee Calwood, yes. Trustee Calwood, yes. Mr. Chairman, five years, one absent. Thank you. Next up, the Investment Officer's Report.

0:32:24 Good morning, Mr. Chairman, other trustees. This is an update of the performance of the systems portfolio as of June 30th, 2024. Just to give a synopsis of the activity for the month in summary. U.S. equities advance as ongoing enthusiasm around AI continue to boost related companies amid strong earnings and outlook statements. Europe equities fell amid uncertainty caused by the announcement of parliamentary elections in France and a lessing expectation for steep interest rate cuts. Strength in some Asian markets helped emerging market equities outperform developed markets as softer U.S. macroeconomic data helped ease concerns about the time of U.S. interest rate cuts. Also, a rebound in China supported emerging market returns. For the month, total plan return 1.4%. Quarter to date, since we ended June toward it was the ending of the third quarter of the fiscal year, we ended it at 1.7%. And fiscal year to date, we ended at 16.2%. Our total domestic equity was up 3.1%. Our total international equity portfolio was down slightly at 0.2 percent. Our developed market equity position portfolio returned was actually down on 1.7 percent and emerging markets had a strong return for the month at 3.4 percent. Total domestic fixed income was up 0.9 percent as our investment grade bonds returned 1%, our TIPS portfolio returned 0.8%, high yield bonds also returned 1% and we earned about 0.4% on our cash on hand. Our total alternatives was down slightly on 0.8%.

0:34:28 What did that translate to in our asset growth? So we ended the month at approximately $507.1 million dollars um so we began at the nav of 510.1 million beginning of the month we had a net cash flow of about 10 million dollars that we withdraw for our benefits and expenses we have um negative income of 458 thousand we are unrealized appreciation in the portfolio of 7.5 million that brought us to the ending market value of $507.1 million. Fiscal year to date, we began the fiscal year at about $413.5 million.

0:35:19 We continue to have a positive net cash flow of $13.9 million, income of $516,000. We have unrealized appreciation for the fiscal year of about $79 million. that brings us back to our $507.1 million as of June 30, 2024. For the month of June, we did have to raise $20 million in cash to replenish our cash on hand. So we did raise $16 million from our Russell 3000 index. We raised $2 million in cash from our MSCI EFA index and we also raised $2 million in cash from our emerging market index fund to cover that $20 million. As it relates to investment management and consulting fees, month to date we paid about $16,000 custodian fees. Year to date we've paid about $198,000 in total fees and fiscal year to date we've paid about $301,000.

0:36:27 thousand dollars so far um securities lending year i mean fiscal fiscal year to date we've owned about 21 000 um from our securities lending activity which was um subsequently reinvested in their respective portfolios um mr chairman trustees that ends my report i'll be happy to answer any questions you may have any question thank you mr henderson any questions for the investment officer no all i have is uh good reporting but still i'm still looking forward in stocks and bonds investing in those sometime in the near future all right um can i get a motion to accept the investment officer's report so moved second moved by trustee dorsey seconded by trustee smith carol palpit dorsey and yes mr chairman uh trustee barry trusty balry yes trusty mory yes trusty dorsey yes trusty dorsey yes trusty liger trusty liger absent trusty russell trustee yes yes okay we can thank you uh trustee smith yes trustee smith yes trustee callwood yes trustee callwood yes mr chairman five year one absent all right thank you next

0:38:20 item on the agenda is a resolution to add the administrator's executive assistant as a signatory to the impress one yes and mr chairman if i made this is simply to replace miss castro uh who is now with the legal division with miss fleming who is the uh new executive assistant don't move second or c smith yes moved by trusty dorsey seconded by trustee smith please yes uh trustee barry yes trustee barry yes trustee dorsey um yes trustee dorsey yes trustee liger trustee like her absent trustee russell yes trustee russell yes trustee smith yes trustee smith yes trustee carlwood yes trustee carlwood yes it's a chairman five-year one absent all right thank you um i'll see if i got a motion to go back into executive session don't move second all right the motion is to go into executive session at this portion of the meeting will be closed to the public for matters pertaining to trade secrets or financial or commercial information or personal or legal matters or matters whose premature disclosure will frustrate the implementation of the proposed agency action was moved by trustee dorsey and seconded by trustee Smith. Yes. Trustee Bari. Yes. Trustee Dorsey. Yes. Trustee Dorsey. Yes. Trustee Dorsey.

0:40:11 yes trustee liger absent trustee russell yeah trustee russell yes russell yeah trustee smith trustee smith yes trustee smith yes trustee callwood yes trustee callwood yes um mr chairman five idea you want to answer all right two minutes okay we're back in regular session um in executive session we discuss the ongoing project over the haven side property we discuss some um disability application matter and we also had a discussion regarding uh the organizational chart privileges of the floor anybody have a motion to join why trustee dorsey can i have a second second seconded by trustee barry yes trustee barry yes trustee barry yes trustee dorsey yes trustee dorsey yes trustee leiger absent trustee russell yes trustee russell yes trustee russell yes trustee smith absent at roll call trustee callwood yes trustee callwood yes mr chairman fourier two absent all right this meeting is everyone all right thank you folks everybody take care is it thank you all right thank you

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.

13x **Trustee Andre Dorsey**
heard in this transcript as: Andre T. Dorsey, Dorsey

8x **Trustee Leona E. Smith**
heard in this transcript as: Smith

8x **Trustee Vincent Liger**
heard in this transcript as: Lager, Liger, Vincent G. Liger

6x **Trustee Ronald Russell**
heard in this transcript as: Russell