GERS BOT's Monthly Meeting 5/28/26

GERS Retirement System (Board of Trustees)

May 28, 2026 · 0.5 hours · gov

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0:00:00 Thank you. yeah give us a second yeah okay okay all right let's go all right good morning everyone this government employees retirement system of the virgin islands regular meeting of the board of trustees for thursday may 28 2026 is here by call to order um before i take the roll call i'd like like us to absorb a moment of silence um in recognition of the passing of attorney ron russell who up until a few months ago was a member of the board of trustees thank you can i have a roll call please yes good morning mr hammond uh trustee tamen clark it's excused trustee clark excused trustee andre dorsey yes trustee dorsey present trustee vincent liger yes yes trustee liger present ex-officio member cindy richardson ex-officio member richardson absent trustee leona smith present trustee smith present trustee duane colwood present trustee colwood present mr chairman for present one

0:02:06 excuse thank you are there any comments and suggestions from retirees are there any comments and suggestions from active members next item of the secretary's minutes from the regular board meeting of april 23rd 2026 are there any edits or corrections to be made to the secretary's minutes hearing none can have a motion to accept the secretary's minutes from the regular board meeting on april 23rd 2026 so moved second moved by trustee dorsey seconded by trustee smith yes trustee clark absence trustee dorsey yes let's see dorsey yes trustee liger yes Trustee Liger yes Trustee Smith yes Trustee Smith yes Trustee Calwood yes Trustee Calwood yes Mr Chairman Fourier one absent thank you are there any communications or correspondences to be read into the record uh I have none sir Chairman's report I have none the administrators report uh yes yes good morning all once again administrative report for May 28 20 26 meetings presentations and appearances as I indicated in the last meeting it was not yet on this report however on April 21st I testified before the legislature's committee on budget appropriations and finance on

0:03:56 bills one dealing with disability annuities and the other with regards of hotel sale proceeds to the gers uh april 22nd conducted a grievance hearing with united steel workers regarding an employee disciplinary action april 23rd gers board of trustees meeting april 29th through may 1st we of course had our carnival holidays may 5th through 8th and 11 through 14 and participated in various velocity migration and business process improvement meetings may 17 through may 20th i attended the national conference of public employees retirement systems annual conference and exhibition uh with regards to retirement applications we have completed about 13 of the applications received in fiscal year 2026 thus far 85 for 2025 and 97 for 24 we have a total of 120 remaining applications in process presently contributions processing contributions has processed refunds totaling 732 513 dollars and 18 cents which represents 70 cases completed uh there have been um two debt benefit cases completed uh totaling 49 042.97 uh with regards to retiree annuities the number of retirees as of the may 15th payroll is eight thousand seven hundred and ninety uh through may 15 to 2026 we've paid out 171 million four hundred fifty seven thousand dollars under four hundred fifty seven thousand one eighty four dollars with 55 cents uh the number of retirees added uh to the payroll

0:06:16 for the fiscal year through may 15th it was 202 um and for may 15th another 10 were added a number of retirees expected to be placed on a payroll with the upcoming payday is may 29th is 17 and the number of retirees deleted for the fiscal year thus far is 180 excuse me my sinuses are bothering me this morning um as of may 15 2026 the grocery tiree payroll has amounted to 11 million 482 162 dollars with 45 cents and that's semi-monthly um disbursements by locations remains pretty much uh unchanged uh from month to month um our loans portfolio our loans portfolio uh presently totals 16.8 million dollars yeah yeah yeah yeah okay i'm sorry about that yes okay the loans portfolio totals approximately 16.8 million dollars fairly evenly split between districts of course we're about to next week commence our second tranche of limited active loans so we already have a fairly good book of appointments set up for the upcoming weeks and months we expect that program to be well received and to be as successful as the prior branch as well as the retiree loan program that we conducted uh with regards to operating to operations rather we have no major issues with

0:08:23 our st thomas's employee buildings we're happy to report that we expect the renovation project here in st thomas for the lobby which is much needed the stairwells and importantly the restrooms to become ada compliant is about to kick off and should last approximately four to six months uh we've had some good news with regards to our fema reimbursements i'll ask our chief operating officer to say a few words with regards to that good morning um everyone fema have has revised its reimbursement amounts from the grants we wrote for the hurricanes armor and maria reimbursement was at 90 and they have since moved that to 95 which means on our permanent projects they call it permanent projects we were able to realize an additional five percent for the projects on saint thomas and saint croix um the checks came in yesterday and it's approximately twenty nine thousand dollars we're thankful for that yes we are thank you great work um with regards to our haven site projects the green space is well underway at the visitor center that's approximately 47 percent completed uh and the the coal woman sculpture that is going to be placed in front of the visitor center is about 90 percent complete and will be sent to the foundry for for casting fairly shortly so we do expect at the in time for the beginning of high season to be able to have our dedication of the visitor center green space coal woman's coal workers park as well as to have the the the painting of all the buildings and the new signage i installed so we will have a very fresh

0:10:34 looking haven site for the upcoming tourist season when we get to the to the financial reports i'd like to take note that uh our net income for haven site uh this year if you were to exclude capital expenditures which i have stated time and time again uh should not be included uh for cash flow purposes yes but for the financial performance purposes no um The net income is essentially doubled from last year, and that's only the beginning. We continue to make great strides financially at Havenside, and my intent for it is to become a fully contributing aspect of the income of the GERS and a very vital investment. right mr mills good morning everyone thank you that's a that's affirmative yes sir okay good morning um we the security building is all approved and the permit received uh that is awaiting bids for construction and this is of course being funded by haven developers the developer of the hotel as part of the agreement that we have negotiated with them in exchange for certain concessions we have two vacancies presently a security supervisor at haven site that we have posted as well as an assistant

0:12:36 administrative specialist dunson thomas miss sandy bryan bell desperately needs the relief she's been covering two desks for the last uh almost two months i think so thank you very much for your efforts sandy it hasn't been unrecognized thank you um with regards to rental collections i need to correct the record um the administrators report inadvertently included the last month's report and not uh which was uh march rather and not the april i'm happy to re so we'll have that amended in my report uh happy to report though that after making a bit of a fuss at the last meeting that shortly thereafter we received 121 000 from the department of justice so there's still some some rents and utilities to be collected but that therefore that six-figure payment showed that i think the message resonated and will continue to press until they become completely current of course they make a large payment and then another month it rolls around and they go again so we we do appreciate the progress that was made there however and there are no other real issues with regards to rentals to be discussed so with that mr chairman that concludes the administrator's report thank you are there any questions for the administrator we got in the administrator's report hearing none committee reports to my knowledge pressure is important and miss uh jeremiah is on leave so i believe that miss austri

0:14:31 will be oh yeah she's queued up so good morning to chairman carlwood the board of trustees good morning administrator dawson good morning to all the government employees retirement system schedule of receipts on disbursement for the month ending april 30th 2026. receipts from collections loan repayment 589 144 year to date fiscal 2026 4 million 163 dollars one 4 million 162,134 dollars. Rent from tenants, 145,006 dollars. Year to date, 703,316 dollars. The employer contributions, 9,195,739 dollars. Year to date, 53,894,675. The employee contribution, $4,823,667. Year-to-date, $29,167,511. The miscellaneous collected for April, $470,044. Year to date, $2,349,681. Giving us a total collection for the month of April, $15,223,930. Year to date, $150,077,665. Disbursement, annuity payments, $23,567,482. Year-to-date $164,434,565. Administrative expenses $1,709,671. Year-to-date $12,187,845. Giving us also the refund of contributions $306,808. year to date $6,054,538. The total disbursement for the month of April is $25,616,661, year to date $182,796,189, giving us a net cash deficit for the month of April of $10,392,731 and the year-to-date $32,718,524. So for the month of April, we collected 59% of what was needed for the GRS disbursement of $25,616,661. We also withdrew from the investment portfolio $100 million thus far. The Haven side, more schedule of receipts and disbursement for the month ending April 38, 2026. We have receipts from collection. The total

0:18:00 collection for the month of April was $532,170. Year to date, fiscal 2026, $4,345,889. Our total disbursement was $474,147, giving us a year-to-date figure of $3,379,908, giving us a net cash surplus, as Mr. Dawson stated before, of $58 million and $23. No, not $58 million, we wish.

0:18:38 $53,023 and a year-to-date figure of $965,981. And Ms. Osry, this is a point at which I would indicate the capital projects at $1,024,000. If you were to add that back because they're not cash expenses, we would be looking at operationally approximately $2 million. Yes.

0:19:07 Thank you. okay for the month of april 2026 the haven side mall disbursement was 89 percent of total collections and the fiscal year 2026 havenside mall expenses was 42 percent of budget this concludes the treasury report thank you so much for listening good job thank you job any questions regarding the treasurer's report i have a motion to accept the treasurer's report so moved second moved by trustee dorsi seconded by trustee liger have our roll call please yes sir trustee timon clark trustee clark absent trusty dorsey yes the dorsey yes trusty liger yes let's see liger yes trusty smith yes trusty smith yes trusty callwood yes yes mr chairman fourier one absent thank you very much next up we have the investment officers report hi good morning miss after could you stop sharing your screen please Thank you.

0:20:37 Good morning, Trustee Caldwell, other trustees, this is an update of the investment portfolio as of April 30th, 2026. April, for April we did see a rebound in the portfolio versus March performance. So total plan returned 5% month to date. We're up about 6.1% fiscal year to date in the portfolio. Domestic, total domestic equities was up 10.4% month to date and 8.9% fiscal year to date. Our Russell 1000 index advanced 10.1% month to date and 8.1% fiscal year to date. The Russell 2000 index advanced 12.2% month to date and is up about 15.8% fiscal year to date. For the month, we saw US equities experience a surge, primarily fueled by a significant rally in technology-related stocks. Conversely, we saw energy stocks decline for the first time in six months. The rally was pretty much broad based encompassing various market capitalizations and garnering substantial participation from both small and mid-cap stocks. Investor sentiment improved as markets focused on resilient US economic data, a strong start to earning season and ongoing enthusiasm surrounding the AI scene.

0:22:20 Our total international equity portfolio returned 8.7% month to date, and is up 13.6% fiscal year to date. Developed market equity as represented by the MSCI EFI index was up 7.5% month to date, and is up 11.5% fiscal year to date. While the MSCI emerging markets index is up 13.1% month to date, and is up 21.6% fiscal year to date.

0:22:52 Pretty much European stocks experience a rise in April, primarily driven by improved investor confidence that mitigated ongoing concerns about growth and inflation, while UK stocks also gained the lag behind broader European markets. And despite these gains, the recovery was hindered in the UK by persistent pressures from inflation, fiscal challenges, and elevated bond yields. In the Asia-Pacific region, we saw Japanese stocks surge significantly as sentiment improved with technology shares leading the market upward. Meanwhile, in emerging markets, equities we saw also arise in April, which was primarily fueled by technology-focused Asian markets and areas of strength in Europe, Middle East and Africa. However, Latin America makes results. the MSCI emerging market index was up about 14% in dollar terms, marking its most robust monthly performance since November 2022, and essentially fully revolving the decline its experience in March. On the fixed income side, government bonds delivered mixed results with total fixed income returning 0.8 percent month to date and is up about 1.5 percent fiscal year to date. This mixed performance was attributed to elevated yields which rose in some reasons driven by energy-driven inflation pressures. Although equity sentiment shifted to a risk on more than April, fixed income markets continue to reflect concerns about higher energy prices, the potential for a tighter monetary policy to combat inflation and fiscal pressures in spread sectors spread sectors delivered positive returns with high yield bonds out outperforming investment grades

0:24:53 in both u.s and overseas markets our investment grid bond portfolio returns 0.1 percent month to date and it's up about 1.2 percent fiscal year to date our us tips um portfolio returned 1.2 percent month to date and it's up about 1.5 percent fiscal year to date and our high yield bonds returned up 1.7 percent month to date and it's up about 2.5 percent fiscal year to date as it pertains to the record of asset growth of the cash flow for the month so we ended the month approximately $484.3 million in the portfolio. We began with a market value of about $480.2 million. We did have a net cash flow of $20 million, which we were doing cash to pay benefits. We had income of about $20,000. We had an unrealized appreciation in the portfolio of about 24 million that brought us to the ending market value of 484.3 million um at the end of april uh we didn't we did not have to raise any cash in the month of april um from any of the managers we did have about 63 000 paid calendar month to date in fees investment related uh which were primarily investment cost consultant fees uh year to date we've paid about 172 000 and fiscal year to date we've paid about 279 000 uh dollars in um investment related fees um and it pertains to the allocation as of april uh we had about 165.6 in uh domestic equity with about 68.9 million in developed market equity we had about 19.6 million in emerging markets about 84 million in investment grade bonds we had about 44.3 million in u.s tips uh high yields we had about 42.1 million our real estate um and this is excludes um the st thomas and st inquiry offices we had about 54.7 million um in real estate value uh private equity we had about five million and we had about 500 000 in cash or 50 50 000 in cash um

0:27:24 that concludes my presentation for this month happy to answer any questions any questions for the investment officer I have one, Mr. Henderson. Record of asset growth table or chart. You have net cash flow for one month, minus 20 million. But then over the box to the left, we have the monthly cash flow. You indicated that no cash flow is based on the month of April. right so the net cash flow in the records of asset growth would be primarily the cash that we had on hand that we we um that we effectively had to withdraw to pay benefits so that would be cash in the portfolio the cash i'm speaking about over here in the cash flow with no cash raise would be when i when we need to raise cash for managers to replenish that cash okay okay i got all right can i have a motion to accept the investment officer's report so moved second moved by trustee dorsey seconded by trustee liger have a roll call please yes trustee clark absent trustee dorsey yes trustee dorsey yes trustee Liger? Yes. Trustee Liger, yes. Trustee Smith? Yes. Trustee Smith, yes. Trustee Caldwell? Yes. Trustee Caldwell, yes. Mr. Chairman, Fourier, one absent. All right. Thank you, Mr. Henderson.

0:29:05 Kind of a motion to go into executive session. 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 so moved second moved by trustee dorsey submitted by trustee you don't need any staff right oh see if you need a for me to do the roll call i'm trustee clark absent trustee dorsey yes see dorsey yes trustee leiker yes let's see leger yes trustee smith yes see smith yes trustee yes yes mr chairman foyer one captain okay we'll research for two minutes you don't need any sound You

People named in this transcript

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

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