GERS BOT's General Meeting 12/09/24

GERS Retirement System (Board of Trustees)

December 9, 2024 · 0.8 hours · gov

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0:00:00 Thank you. Thank you. good morning everybody good morning morning Ms. Hassel Ms. Hassel Mr. Dorsey How are you today?

0:01:42 I am doing well, Seasons, greetings to you and everybody else You too I don't know if tomorrow you can give me a call if you're not too busy Okay, are you on St. Croix today? I'm not I couldn't make the St. Croix I would have come look for you, but I couldn't make the same query. I plan to pass by the retirement events I thought we could have talked then. But okay, then, cool.

0:02:10 We could speak tomorrow. Yeah, when you get a chance, if you can call, I appreciate it. No issue. All right, thanks again. You're welcome. good morning Chelsea Bowery yes okay let's definitely make sure that you guys hear us good morning chair all right this government employees retirement system of the virgin islands regular meeting of the board of trustees for monday december 9th 2024 is here by carl the order can i have a roll call please yes good morning mr chairman uh trustee ellen l barry present trustee barry present trustee andre t dorsey present trustee dorsey present trustee vinson g liger present trustee liger present trustee ex-officio member cindy richardson good morning florina dain hassle sitting in for director richardson who is in another meeting at this time thank you good morning miss hassel uh trustee ronald e russell excuse trustee russell excused trustee leona e smith president president trustee glenn a call with president trustee hollewood president mr chairman uh five present one excuse thank you do we have any comments and suggestions from retirees do you have any comments and suggestions from active members okay uh secretaries minutes for the regular board meeting on october 24 2024 are there any corrections or edits that need to be made to the minutes i didn't see any

0:04:40 hearing none can i have a motion to accept the minutes from the october 24th um so moved moved by trustee spade is there a second second seconded by chelsea dorsey camera roll call please uh yes uh trustee barry yeah yes trustee barry yes trustee dorsey yes trustee dorsey yes trustee Dorsey, yes. Trustee Liger? Yes. Trustee Liger, yes. Trustee Russell? Trustee Russell, absent.

0:05:19 E. Smith? Yes. Trustee Smith, yes. Trustee Caldwell? Yes. Trustee Caldwell, yes. Mr. Chairman, five, yay one absent thank you next item up is the meeting minutes from the special meeting on november 18 2024 are there any edits or corrections to be made to the minutes hearing them can i have a motion to accept the minutes from the november 18th special meeting so moved moved by chosie dorsey is there a second second seconded by chosie smith can have a roll call please yes uh trustee barry yes trustee COBREs trustee dorsey yes trustee door um trustee lit rainwater yes trustee u russell trustee russell absent trustee smith yes trustee smith yes trustee called yes trustee call one yes uh mr chairman five eight one absent thank you communications and current correspondences are there any to be written into the record no chairman's report i have nothing to report this month uh so let's move to the administrator's report okay uh for the administrator's reports i will begin with the the presentation and appearances. October 24th, we had a board meeting here on St. Croix.

0:06:59 That day, we also had an open house celebrating the 65th anniversary of the GERS on St. Croix. The next day, we continued the open house celebration of the 65th anniversary on St. Thomas. On October 29, we conducted an investment committee meeting. October 30, I held an update meeting with our contractor, Ideas, with regards to Haven Sites.

0:07:30 Okay, you have the truckie. Can you please get your devices? on October 30th I held an update meeting with ideas regarding our Haven site property October 31st conducted a Haven site brand and inculturation review with ideas and the team from haven site on november 4th i had a meeting with the wapa ceo and cfo on november 6th had a meeting with regards to the bi government leave bank november 7th meeting with design district regarding our undeveloped properties on november 18th special board of trustees meeting november 22nd a retiree annual bonus payments were issued i would also mention that in the month of november under the leadership of miss danica thomas we issued our next installment of our newsletter which was quite comprehensive so thank you yes for that miss thomas thank you um on november 29th we had our second installment of friday night at haven site the black friday edition it proceeded splendidly uh unfortunately the final act was interrupted by an island-wide power outage and um we will try again in december it was truly amazing but we did have like just no music towards the end

0:09:24 uh december 3rd um i held a meeting with our reconciliation group regarding data cleanup and december 4th and 5th meetings to review the linear solutions proposed statements of work so quite a busy period in between there of course there was also the um ifdpb conference some of our trustees attended unfortunately i was unable to to attend as planned uh continuing with the report member services retirement applications as of november 15th 2020 or we have total remaining applications of 163 to be processed, 7 for fiscal year 2025, 140 for fiscal year 2024, 13 for fiscal year 2023 and we have some smaller amounts for prior years. Contributions, processing, refunds and death benefits uh refunds uh the number of cases completed between october 1st 2024 and uh september now that can't be right because we're not in september 30th 2025 fiscal year 2025 is is 69 have been completed for a total of $795,306.28. Death benefits, we've completed four cases

0:11:21 for a total of $92,792.92. From the accounting departments, annuity payments, the cumulative, well number of retirees as of november 15 2024 on the payroll is eight thousand seven hundred sixty six uh retirees uh cumulative dollars paid out from october 1st 2024 through november 15 2024 is 33 million eight hundred thirty five thousand five hundred seventy seven dollars with the vast majority of that being service retirement annuities. The number of retirees added to the payroll from October 1, 2024 through November 15, 2024 was 38. Number of retirees added to the payroll for November 15, 2024 pay date was 17. Number of retirees expected to be placed on the payroll for November 29th, 2024. Pay date is 15. Number of retirees deleted from payroll from October 1st, 2024 through November 15th. 2024 is 42. As of November 15th, the gross retiree payroll uh amongst to 11 million 282 075.07 uh disbursements by location there 9406 disbursements as of november 15. um 7687 are within the virgin islands proper and 1719 are outside of the virgin islands which would include puerto rico the united states and international for a total of 9 406.

0:13:19 with regards to the loan portfolio as of november 30th 2024 we have 2 402 loans outstanding with 1,220 being in St. Thomas and John, 1,182 being in St. Croix. Of the 2,402, 2,335 are active loans, personal loans. Well, active personal loans is 2,158 and legacy retiree personal loans is 177. We have a total of 67 legacy mortgages for a total of 2,402 loans. That 2,402 loans uh amongst to 22 million dollars 510 000 22 million five hundred ten thousand eight hundred twenty two dollars uh with 11.8 million being in st thomas and john and 10.7 million beings in St. Croix switching to operations um the St. Croix office complex we have a parking lot uh lamps repair and upgrading which was budgeted and should be underway uh shortly uh it's very important because the lamps that we have in the parking lot here are the originals and they're not functioning so at night is very dark and consider i would consider it to be a security threat so we're addressing that rather aggressively that should be done shortly this in thomas office complex ars is 100 complete but the southern flat roof renovation project that was done very efficiently and the work to replace the western flat roof will begin this week so that should be completed shortly as well at haven site we have the hotel development

0:15:33 of course well underway at 70 74 completion biggest room windows and roof work is nearing completion uh the goal is to have a quote-unquote dry building by christmas and to have a major push towards the interior finish work and completion by may 2025. we'd like for them to open soon so that we can begin to collect rent and our percentage of the profits of course uh regarding the generators um we're working with the local vendor um we're waiting the delivery of vents and ducts that are being manufactured and we have the interior lights that have been installed in the structure imposing the generator uh rental collections uh office building rental and electricity collections as shown below uh november 2024 we've collected uh 17 almost eighteen thousand dollars in uh rent uh means another seventeen thousand free electric a total of thirty thirty four thousand and change uh total fiscal year to date is a hundred and 12 000 wrongden we do have arrearages of 238 000 uh 113 000 of that is for rental and 125 000 is for electricity and um they are the usual suspects uh once again uh department of justice funny that i would say usual suspects and referring to the department of justice but they're there and we know their issues with regards to the central government and cash flow availability it's always paid eventually but with some delinquency which is now building again unfortunately division of personnel we do have a representative miss hassle here from personnel i don't know if there's any information she can share with us but it's an average of 39 000 for rental and 59 000 for electricity uh any news for us miss hassel unfortunately i am just finding out about this um this amount due i will let the powers to be especially a financial person know that we are nervous and hopefully but as you just stated eloquently there is um a little bit of not financial issue i must say just that things

0:18:25 are being paid a little bit slower but i will let um miss kwashi know of this okay thank you very much and the director yes and um my chief operating officer is telling me that they're well aware so um trust that they're working on it um as the chairman that concludes the administrator's report but we are at the end of the year uh it's a celebratory time today we're celebrating the having our second annual retiree social here on sacroi and we'll be having the retiree social on saint thomas on thursday at uh at haven site so now we needed a larger venue our experience last year and i'd like to thank the team for doing a marvelous job and getting these festivities put together we look forward to having a great time with all of us okay so um as we come towards the end of the year my first full year as administrator I'd just like to have a bit of a personal privilege in going back through the year and commending my team for what I think was a very productive year. We did have a comprehensive reorganization of the GERS in terms of personnel in our divisions, which has worked quite well and actually afforded us to do certain very impactful things like restarting our loan program we were able to get out some approximately 2 000 loans to the tune of 20 million dollars between the district of st croix and st thomas and john we of course also undertook the reimagining of the haven site property which shall be renamed

0:20:29 early in 2025 we're working on that process as well um we've had a very successful year in terms of our investments with about a 25 return on our investments for uh the 12 months through october 2024 we don't yet have the november report but we expect that we'll be doing quite well there also And we also, of course, recently completed a reallocation of the percentages of our investments as approved by the investment committee in fiscal year ended September 2023. We also had a positive net cash flow for the first time in about 29 years since 1995. So that's a trajectory that we definitely hope and plan to be able to continue. Also, hopefully we'll get the issues regarding the matching fund and the permanent extender, at least the retroactive payments in place. I see some additional efforts in that regard just recently in DC. And it's important to note that we've also rebooted our relationship with Vitec, which is our pension administrative administration software provider. As we get ready to migrate to their latest version, that too is proceeding quite well, both with Vitec as well as our relationship with Linear Security and Linear Solutions, who are great partners.

0:22:13 So a very eventful and I do believe successful year, I'd like to thank you and the board of trustees for all of your support, and of course, all the men and women at the GERS for being a great team. And of course, we do this all for our retirees, present and future. We look forward to having a great time with this afternoon and Thursday. So thank you very much, Mr. Chairman. all right on behalf of the board you're welcome um what's your number on the ballot again um any questions any trustees have any questions for the administrator yeah i have a question um okay uh trustee dosi proceed no trustee barry before you forget proceed A couple of questions, Mr. Dawson.

0:23:21 First one has to do with the meeting you had with the WAPA folks, the CO and CFO. What was the purpose of the meeting and what were the results? So maybe an executive session, I would share more. What I would say is that in some regards, it was kind of a continuation of the meeting that you guys attended at their retreats a couple months ago, where certain items were broached. They wanted to continue that discussion. discussion okay okay um i probably won't remember so when we get into executive sessions remember um i didn't understand he was saying he may not remember when we get executive session so oh okay the the um the status of the of our generator which generator well i i thought weren't we weren't we supposed to be building or buying or updating referring to gers main or no at haven site sorry at haven site yes we do have a new generator on site that the housing uh has been built and we're in the process of getting the generator commissioned hopefully uh in the very near future uh it does involve uh an engineering company out of puerto rico that is very familiar with the layout of the property from the existing generator that was installed by them and it's a rather large and complex system so So that is well underway and should be concluded imminently.

0:25:21 Okay. And one last question. My recollection is that the land lease agreement to the hotel hotel, call for some initial payments to begin even before they open. No, sir, we recently went through that at a meeting right here in St. Croix, and it was ascertained that that begins after the hotel is completed and opened.

0:25:58 Okay, okay. All right. That was it. okay uh trustee dosi proceed with your question yes uh good morning i just had well one of the questions was answered in reference to the wapa meeting the other question i had was or maybe a comment was that the uh what call it the situation that just happened with the ceo from with united health care in the states um and you know we talked about security before not to go into too much detail right now but um i'm hoping that um we can maybe do something similar to what the first branch of government is doing when you come into their building a similar system to that um this is not the place or the setting to discuss um security plans or vulnerabilities etc etc so you left for executive session okay and and i mean just to point out uh that's the year was shot in the middle of the street so i don't know how security measures being put in place in building sort of you know affected that but anyway executive session we have that well i was only i was only referring that he didn't have his security with him even in the street and the capacity that he's in he probably should have had it okay well but i mean uh some shots were fired after former president trump and he had a whole secret service detail supported by sheriff department et cetera et cetera so you know yeah but i'm not i wasn't talking about an

0:27:46 inside job i'm just saying so i'm just saying that if people want where there's a will people can find a way you should okay anyway so this conversation is making me very uncomfortable anyway next you have another question well it was a question I had to really the board Council if it's something we need to consider to the board Council not the system Council but the board Council is that you asking are you asking Council the question of a lot that was asking the Council a question if we need to start considering that for um the board as well as the system the system overall consider that council looking looking into that council is there to answer questions of law or matters of procedure he's not there to give opinions well i was just asking him in reference to if we if we need that well okay apparently that ain't important okay you can move on all right you can you have any questions for the administrator all right committee reports uh the investment committee met on october 29th we got an update from our investment advisors and actuary out of that committee came my recommendation to reallocate the percentages within our portfolio and that recommendation was adopted during the special meeting on november 18 2024.

0:29:25 treasurer's report yes good morning good morning good morning to the board chair and the board of trustees good morning administrator dawson good morning to everyone the government employees retirement system schedule of receipts and disbursement for the month ending October 31st, 2024. We have the receipts of collections. The loan repayment was $796,466. Year-to-date fiscal 2025, $796,466. The employer retirement contributions $7,645,951. Year-to-date $7,645,951. The employee retirement contributions received $3,805,283. Year-to-date fiscal 2025, $3,805,283. The bond note funding we received, $101,571,380.

0:30:54 dollars. Year to date, $101,571,381. So it was $101,571,380. Miscellaneous, $511,915. Year to date fiscal 2025, $511,915. So the total collection that we received thus far, $114,394,470. Year-to-date, fiscal 2025, $114,394,470.

0:31:44 In terms of the disbursements, annuity payments, $22,782,906. Year-to-date, fiscal 2025, $22,782,906. dollars the administrative expenses one million eight hundred and seventy two thousand seventy four dollars year to date fiscal 2025 one million eight hundred and seventy two thousand seventy four dollars mr chairman mr chairman may interrupt but um clearly the year to date and the month because october is the first month of the fiscal year the year to date and the month of the same number so okay just read one pick one and just read that one instead of reading the same thing twice okay no problem so the total disbursements that we would have had for october 2024 and the entire fiscal year thus far, $25,617,270. We had a net cash surplus of $88,777,200. As stated before, we received $101,571,380 from the bond funding note, which was $53,492,917 less than the expected amount for fiscal 2025. The local collection of $12,823,090 were 50% of what was needed for the disbursement of $25,617,270. The administrative expenses was $1,872,074,

0:33:48 which were 8% of the budget. So far, we have withdrawn $20 million from the State Street investment portfolio to meet the obligations of the agency. We will go down to Havenside Mall. We have the schedule of receipts and disbursements. The month ending October 31st, 2024, the receipts from collections was $458,242 and total disbursement that we spent was $454,277, giving us a net cash surplus of $3,964.

0:34:37 For the month October 2024, Havenside expenditure was 99% or $3,964 on the total collections. The fiscal year 2025 Havenside Mall expenses was 7% of the budget. Havenside Mall statements of revenue and expenses. The revenue total was $498,006. The expenditure was $535,277, giving us a decrease in revenue of $37,271.

0:35:21 So this ends the Treasury report for October 2024. Thank you. Any questions regarding the report? can i want to accept the treasurer's report so moved moved by trustee dolce is there a second second seconded by trustee laiga can i roll a call please yes sir trustee barry yes yes yes trusty dorsey yes trusty dorsey yes trusty lager yes trusty lager yes trusty russell Trustee Lee Russell absent. Trustee Smith? Yes. Trustee Smith, yes. Trustee Colwood? Yes. Trustee Colwood, yes. Mr. Chairman, five years, one absent.

0:36:24 Thank you. Next up, we will cover the investment officers report. Sorry about that. Good morning, Mr. Chairman, other trustees. This is an update of the investment portfolio as of october 31st 2024 unfortunately because of the timing of this meeting um november's numbers are still being compiled uh as of the end of october 31st uh just to give you a month in summary overall the equities fell equities fell in october uh with Japan being the only notable outperformer. U.S. eurozone shares fell. U.S. primarily over uncertainty with the presidential election and concerns over interest rates. Also disappointing earnings from major companies. Markets across Asia also declined due to geopolitical concerns and economic challenges. Emerging market equities also fell and made risk a version ahead of the U.S. elections. The fixed income market faced challenges as government bonds sold off with fears of rising inflation and interest rates. As it pertains to performance of the plan for the month, total plan was down about 1.6 for the month. Year to date, the plan is up 10.7 percent and since um we began the fiscal year in october we're slightly down for the fiscal year also by 1.6 percent total domestic equity return was down slightly 0.7 percent year to date um put i mean domestic equity is up strongly at 19.8 percent our total international

0:38:22 equity portfolio was down 5.1% so far for the fiscal year, beginning of October. Year to date, international equity portfolio is up 8.2%. Total domestic fixed income was down point five percent for the month of october beginning the fiscal year year to date um our fixed income portfolio is up four point eight percent um what that what does that contain to in in dollar amount so we ended the month of october at approximately five hundred sixty nine point four million dollars uh we had no cash we didn't raise any cash for the month of october We did have the GRS funding note coming on October 1st, which was 101,571,380, as stated in the Treasurer's report. We began the month at the market value of about 497.2 million, we had a net cash flow of 81 million 81.5 million take into account the one the 101 million we got from the funding note and the 20 million that we had to withdraw to meet our benefit expenses we had income of about 89 000 with an unrealized depreciation in the portfolio for the month of about 9.4 million which brings up to that ending market value at the end of october 31st of 569.4 million uh year to date uh we began at about 546.7 million we are slightly negative cash flow for the for year to date of um 28.6 million we had income of about 603 thousand unrealized appreciation and portfolio so far as of october 24th of about 51 million that also bring us back to the ending market value of 569.4 million dollars um as it pertains to investment management custodian and consultant fees

0:40:45 we paid about 99 000 calendar month to date uh 26 000 for investment management fees 57 000 for investment consultant fees and 16 000 for custodian bank fees yeah today about 295 000 uh that's broken down investment management fees 80 000 investment consultant fees 167 000 and our custodian bank fees of about 48 000. our securities lending month to date we've owned about 920 beginning the fiscal year a year today we've won about 13 13 13 thousand dollars one other item i'd like to touch on uh that the chairman did speak about uh we did at the end of november based on the special board meeting that was held and board approved we did um tweak the asset allocation so we reduced our current target from the u.s equity from 45 to 35 percent and took that extra 10 took that 10 and placed it into investment grade bonds We did take about 1% out of our international developed market fund and put, I'm sorry, out of our emerging market equity positions and placed that into our international developed market equity funds. As you can see, the expected returns over the 20 years just dipped slightly from 7.7 percent to 7.3 percent but we've greatly reduced our volatility over that time period as well um we are also working on the other the other portion of that um of that um

0:42:38 approval of the board with the um termination of the russell 3000 and um funding the russell and Russell 1000, and I believe those documents, the amendment documents are on the administrator's office to be signed for execution. Mr. Chairman, trustees, that concludes my report for the end of the month of October 21st, 2024, and I'll be happy to answer any questions.

0:43:12 Thank you. Any questions for the investment officer? officer no okay hearing none motion to accept so move move by trustee dorsi uh is there a second second seconded by trustee smith can i have a roll call please sir uh trustee barry yes trustee barry yes trustee dorsey yes Trustee Dorsey, yes. Trustee Liger, yes. Trustee Liger, yes. Trustee Russell, absent. Trustee Smith, yes. Trustee Smith, yes. Trustee Colwood, yes. Trustee Colwood, yes. Mr. Chairman, five yay one absent next item up on the agenda the 2025 uh board meeting calendar are there any issues with the calendar as presented yeah so the photos of the month uh with the exception of where the maybe conferences um that either the board or staff and number of staff members would be in attendance and those days will move to accommodate good morning there's actually good morning this is miss coley um june 19th is a federal holiday and i didn't take account for that oh yeah june all right so let's move to the 18th you got that

0:45:25 it's cool yes yeah we'll do the 18th and 1719. okay no problem okay so motion to admit to accept the calendar as amended so move motion moved by trusty dorsey's a second second second by trusty smith number roll call please trusty barry yes trusty dorsey yes Trustee Dorsey, yes. Trustee Liger, yes. Trustee Liger, yes. Trustee Russell, absent. Trustee Smith, yes. Trustee Smith, yes. Trustee Paul Wood, yes. Trustee Paul Wood, yes. Mr. Chairman, five years, one absent. Thank you. Somebody made the motion to go into executive session. this chair would like to make a motion to go into executives uh session uh this portion of the meeting will be closed to the public for matters pertaining to trade secrets for financial or commercial information for personal or legal matters for matters whose premature disclosure will frustrate the implementation of the proposed agency action so move second that's it moved by chelsea smith seconded by trusty dorsey number will call please yes trusty barry yes let's see barry yes trusty dorsey yes trusty dorsey yes trusty liger yes trusty liger yes trusty russell absent trusty smith yes trusty smith yes trusty forward yes trustee call yes mr chairman five ba one accent thank you

0:47:25 take a moment for it to do their thing

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.

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

7x **Trustee Vincent Liger**
heard in this transcript as: Liger

5x **Trustee Ronald Russell**
heard in this transcript as: Russell

3x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey