GERS BOT's Monthly Meeting 5/29/2025

GERS Retirement System (Board of Trustees)

May 29, 2025 · 0.7 hours · gov

0:00:00 Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. Thank you. all right good morning everyone good morning yes sir all right thank you um good let's get started this government employees retirement

0:04:04 system virgin islands regular meeting for trustees for thursday may 29th 20 25 is there by a call for one yes mr chairman trustee tom and clark present present present trustee andrea dorsey present like guys present Ex-officio members in the Richardson good morning present trustee um member Richardson present trustee Ronald Russell can we go to the screen with that's where we can see the attendees the same the two uh trustee russell absent trustee leona eastman present trustee smith present trustee dwayne gacow present trustee awkward present uh mr chairman there are five present one absent Are there any comments on suggestions from retirees?

0:05:47 Are there any comments on suggestions from active members? The next item on the agenda of the Secretary's Minutes from the April 24, 2025 meeting. are there any corrections or edits i think we made three minutes hearing none can i have a motion to about seven minutes from the april 24 20 25 meeting so moved moved by trust the clock is there a second is that trust second second all right moved by trustee dorsi seconded by trustee clark several copies this is mr chairman trustee common talk yes trustee clark yes trustee andre dorsey yes proceed dorsey yes for stevenson ligard yes Yes. Trustee Liger. Yes.

0:06:52 Trustee Ronald Russell. Absent. Trustee Leona Smith. Yes. Trustee Smith. Yes. Trustee Dwayne Colwood. Yes. Trustee Colwood. Yes. Mr. Chairman. 5BA1. Absolutely. Thank you. Next item, communications and correspondence. Are there any? No, Mr. Chairman. i think number seven the chairman's report on may 14 2025 along with the administrator and chair of the development subcommittee trustee smith i met with uh governor brian along with a couple cabinet members i think some representatives from yeah HFA. We just had some very, very, we got some very, very preliminary written with respect to our plans to develop our property and some initiatives on the part of the administration with regard to addressing the housing stock situation in the territory it is very very preliminary um that's basically to get a fee for if there may be somebody that combined efforts um that's the conclusion of my and some of the administrators report uh yes uh good morning all mr chairman um as is typical um i begin with uh the same meetings presentation and appearances i really want to go through item by item quite a few of them are related to our extensive and ongoing uh efforts with regards to our velocity migration project which uh has uh has us all busy with meetings uh throughout the week uh suffice it to say that we make a full project update at in july 4 retreats uh we're also about to wrap up the launch phase which is the first phase by the end of this month which is the end of this week um for the schedule so i'd like to thank and commend the staff for the tremendous effort that has been dedicated uh by all departments in this project on april 24th

0:09:35 of course we have the last board of trustees meeting um we've begun our budget preparation process which we would have preliminary budget indications for preliminary discussion in the july uh board meeting and then the final uh presentation and um hope for ratification by august for our annual budget um i'm just looking for highlights here We held a management meeting on May 12, as I indicated, various velocity-related internal meetings. May 13th, we had an on-site meeting with the Hampton by Hilton developer as quickly closer to the completion of the opening of the hotel.

0:10:37 as the chairman indicated on may 14th the chairman myself and the head of the development committee trustee smith did meet with the governor and the executive director of the virgin island housing finance authority and the director of the office of disaster recovery and some preliminary discussions with regards to how we could uh i wouldn't say joint forces but how we could cooperate with the housing finance authority and 4dr particularly with regards to to funding opportunities for the development as we have indicated previously of our properties on st thomas and st croix both for benefit of the gers as well as the wider community particularly in the area of housing stock it was a preliminary meeting and we're following up for a follow-up meeting uh next week with odr and bi housing authority so i would imagine that in future meetings we will be able to give a more detailed update as to where uh if anything on the initiative is on may 13th we issued a press release announcing the startup of the limited retiree personal loan program and um that has been proceeding in its initial phases uh pretty well Well, we, just to recap, have a $15 million authorization on the board for that program, $7,500 maximum loan amount. Theoretically, that would equate to the 2,000 loans if everybody

0:12:41 that apply you were to receive the maximum uh one can say that it's maybe a modest start with regards to the numbers as of the numbers that i received uh yesterday uh we have 252 uh initial expressions of uh interest um with it being almost evenly split between the st croix district and the saint thomas central district uh the first appointments uh are being scheduled for the beginning of june and the period will be open through the beginning of august so there's still time and we look forward to working with our retirees who qualify for the loan program so that we can provide them with their with their loans okay so we're still in the early phases the staff is ready and ready to go i'd like to commend miss michelle nico our territorial director of loans and senior and deputy administrator on saint croix as well as her loans team uh and also the customer service uh area headed up by the stanika thomas for their continued great efforts um we had a meeting with the green space designer for the haven sites uh property that we are developing next to the hotel that went very well and is close to we've actually begun or the construction of the visitor center at the uh at haven site has already begun and you drive by you can see walls coming up instead of moving along quite nicely as well and then on may 18th through the 22nd i attended the national conference on public employee retirement systems and that would conclude my meetings presentations and appearances continuing on with member services retirement applications miss also you have something with 2026 uh well through over 2025 we have 96 um applications uh two have been processed for remaining number of 94 are being worked on uh through for 2024 working backwards we had 318 applications of which 269 have been processed uh with 49 remaining so our completion rate there 85 percent and typically if there's any delay in processing it's typically due to missing paperwork or missing contributions so with regards to prior years we're quite good and current gear is still very much a little bit of progress uh contributions processing refunds and death benefits uh through april 2025 uh there have been 114 one uh cases processed totally in some 1.365 million dollars um and there are 106 cases uh death benefits we have completed four cases totaling 237 thousand six hundred twenty nine dollars

0:16:44 the 63 cases ending uh final processing uh annuity payments um we approved for period october 1st through may 15th so we have paid out the 2025 we've paid out some 169 million 641 thousand dollars in in annuity payments uh the number of retirees as of may 15 2025 is 8 785 for the period october 1st 2024 through may 15 2025 we've added 194 retirees and subsequent to that we've added another 13. the number of retirees expected to be place on the payroll as of the may the may 31st uh pay date is 12 and the number of retirees deleted has been through the fiscal year thus far has been 179 retirees who were uh would be deceased um as of may 15 the gross payroll retiree payroll is 11.4 million pounds per semi-month leave and uh in terms of disbursements by location we have a total of 9 635 retiree disbursements and most of them as we've indicated repeatedly are in the territory, not international, and also continue to be paid by ACH. So if there aren't any questions about that particular area, we'll just gloss over that. Loan program. So as of April 30, 2025, we have 2,115 active.

0:19:01 we have personal loans rather of which uh 2026 are active employees and as of this report anyway the retiree personal loans would have been legacy uh personal loans uh but now with the restart of the limited uh retiree loan program we'll be expecting to see uh numbers for the retiree personal loans increasing over the next month or two mortgage loans are legacy loans that are just being amortized in terms of dollar figures we have a portfolio size of approximately 20 million dollars for which comprises all categories what's interesting to note here is that you can already see that our active loan program personal loan portfolio has been functioning well because it is amortizing on schedule we're already down to 16.2 million dollars meaning that is paying down as scheduled and at the appropriate time i take it the board will consider whether we will redeploy those assets eight percent um moving on to the operations uh portion of my reports uh st roy office complex uh we're doing some more than the parking lots uh lamps which is about 90 percent complete no issues on the st thomas office complex front and uh aven site which i alluded to previously um the project is 91 uh companies uh there was a uh cesium hearing on uh not last evening but recently before for a modification of the existing permit which was approved by the ccm commission august 5th we expect a soft opening of the hotel in october we expect a grand opening of the hotel okay so we're very excited there both in terms of the life that is expected to be

0:21:43 additional life that is expected to be injected into uh the haven sites uh property as well as for the additional revenues that we uh anxiously look forward to collecting and based on preliminary discussions with the or discussions with the developer um and preliminary bookings uh the the rates that the hotel is commanding far exceed expectation which translate into a revenue for not only the developer but for the gbls so we've uncovered the chickens before they hatch but there looking points you can also see in my reports a little bit to the welcome center that you see the conceptual drawing of the welcome center here but if you were to go by the wall and see the actual construction excuse me underway and we're excited about that as well when that is completed it'll be a nice the place for the hundreds of thousands of uh cruise passengers that we that we greet um being able to pass through learn about the islands most importantly learn about our property and what our tenants our merchants have to offer as well as being a place that we can extend some hospitality uh right next to the green space between the green space and the hotel is between the visitor center and the hotel is the green space uh it's you know this is a relatively small rendering but it gives you an idea of the scope the size of the green space with relation to the visitor center so you can see as a rather substantial uh green space that will be your community gathering spots as well uh to our rental elections uh we have have arrearages of um well we have collections let's start with the good news of um and this is for gers office complex so it's not even so uh total fiscal year to date revenue collection or until collection of nine cents and eight thousand dollars just shy of a million dollars and it is 96.560 79 cents uh the rear edge is uh once again we work with our fellow um agency justice um but they do have some arrearages uh i know we have director richardson on there

0:24:59 their electrical ridge is rather modest they're 25 000 and they always work diligently to ensure that we get paid so we're not concerned there and we have a small very small private tenant that owes us eight thousand dollars in rent that we'll be seeking to collect um rather shortly uh mr chairman that i can see any questions for the administrator sorry um making reports um I think there are any transverse report, Ms. Seimusson. No, it's Ms. Offspray sitting in for Romy. There she is. Yeah, I'm sorry, they look right about it.

0:26:03 Good morning, Board Chair. Good morning, Board Trustees. Good morning, Administrator Dawson. Good morning, all. Just give me a chance to just share my screen. And while Ms. Oswee does that, we'd like to thank her for our CFO at this meeting today. Okay, can everyone see my screen?

0:26:31 Yes. Yes. Okay, the schedule of receipts of undisbursements for the period ending April 30th, 2025. We have receipts from collections, the loan repayment $821,895, year to date $4,770,863, employer retirement contributions $11,501,740, Year to date, $57,981,725. The employee retirement contribution.

0:27:13 Let's get over the rent from tenants, Ms. Austin. Okay, the rent from tenants, which just include the GRS office, $132,230. year to date 632,314. Employee retirement contributions $5,863,930. Year to date $29,517,926. GRS bond funding note, year-to-date $101,571,380, miscellaneous $14,723, year-to-date $1,882,086, With a total collection of $18,336,769, year to date $1,196,364,393. Disbursements, annuity payments include the $23,081,876. Year-to-date, $162,850,916. Administrative expenses, $1,297,111. Year-to-date, $10,725,244, giving us a total disbursement of $25,725,233, Year to date, $180,402,402,571, giving us a net cash deficit of $7,388,464, giving us

0:29:22 a total surplus overall of $15,961,822. dollars. For the month of April 2025, we collected 71 percent of what was needed for disbursement, which was $25,725,233. Year-to-date fiscal 2025 administrative expenses were 47 percent of budget. Going down to Havenside Mall, the schedule of receipts and disbursements for Havenside Mall month ending April 30th, 2025.

0:30:04 We have a receipts from collections, rent from Havenside tenants will be 548,338 dollars Year-to-date fiscal 2025 thus far is $3,500,493. Miscellaneous, we collected $34,109, giving us a year-to-date figure of $261,033.

0:30:36 Total collection thus far is $582,447, year-to-date collections $3,761,526. In terms of the disbursements, we have a total disbursement of $406,215, Year-to-date $2,756,109, giving us a net cash surplus of $176,232, year-to-date $1,005,417.

0:31:23 So for the month of April 2025, in terms of the Havenside Mall, the expenditure was 70% of $176,232 on the total collections. The year-to-date expenditure decreased by 15% or $402,693 dollars over the last fiscal year to date expenditure due so this ends the treasury report of april 2025 if you have any questions i'm open to answer any questions you have any questions with regard to the treasurer's report thank you again this street you're welcome i'm a boss so moved second moved by chelsea clark seconded by chelsea smith yes trustee commentar yes trustee clark yes trustee andre dorsey yes let's see dorsey yes trustee vincent leiger yes Yes.

0:32:50 Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. Yes. So we have the investment officers report. Good morning. Mr. Chairman, other trustees, and all listening audience. This is the update of the investment portfolio as of April 30, 2025. Just to give a brief highlight of the quarter, during April, we saw the President's announcement of Liberation Day on the 2nd of April, where he announced sweeping tariffs and imported goods several countries. This of course caused notable stock market volatility pretty much throughout the month. Equities fluctuated pretty much throughout the month after this announcement as the tariffs exceeded pretty much the expectations of the overall market which expected about a 10% rate.

0:34:18 on our U.S. imports. Also to include the tariff situation, the markets were also worried at the president again, pretty much attacked the Federal Reserve independence, dependence threatening to fire the chairman, Jay Powell, which also contributed to overall volatility throughout the month. So total plan returned 0.5% month to date, which was pretty much flat to a slight increase for the month. Our total domestic equity was down 0.8% month to date. The Russell 1000 index was down about 0.6%. Our Russell 2000 index, which is our small cap index, was down about 2.3%. Our total international equity returned 3.6% as the developed market was one the beneficiaries from the volatility we saw in the U.S. market. We saw the developed market equity returned about 4.7%. We also saw emerging markets were up slightly at 0.7%. Our total domestic fixed income portfolio returned 0.2% where our investment grade bonds contributed about 0.4 percent our tips portfolio contributed 0.1 percent our high yield band

0:36:15 portfolio was down slightly at 0.1 percent and we did see some yield from our cash on hand at um 0.4 percent uh total total alternatives in the portfolio uh returned 0.4 percent again that total alternative the bulk of that is um our haven site property uh fiscal year to date uh the plan is up about 1.8 percent uh funny enough if you stripped out the alternative or the haven site position we're pretty much flat for the fiscal year Domestic equity, fiscal year to date, again, pretty much is the driver of underperformance in the portfolio at down 3.1%. Our international equity position, fiscal year to date, is up about 1.6%.

0:37:18 and our bond of 16 come portfolio fiscal year to date is up about 1.3 percent so a pretty good performance for the month um given the volatility that's been that was in the market um um for the month of april uh at the end of the month we were we were at approximately 508.2 million uh so we began at a market value of about 505.5 million uh we did not have any cash flow out of the fund in the month of april we saw about 157 thousand dollars in income um for the month we had an unrealized appreciation in the portfolio of about 2.5 million um that brought us to that ending market value of about 508.2 million dollars a fiscal year to date as you can see we began at about 497.2 million so far we have a net cash flow of about 1.5 million from the portfolio we have an income of about 1.4 million we have an unrealized appreciation in the portfolio of about 8.1 million dollars and that again brings up back to that ending market value of about 508.2 million dollars uh we did not have to raise any cash in the month of april which was good given the volatility in the markets uh as it relates to um investment related fees We paid $63,000 in the month of April. That was for consultant fees.

0:39:08 Calendar year to date we've paid about $188,000 and fiscal year to date we've paid about $287 across investment management consultant and custodian bank fees. In relation to those fees, if you look at the chart on the bottom left, we still continue to pay pretty much minimal fees on our assets at 0.03% or three basis points. The only other thing I would like to note, Mr. Chairman and Trustee, if you look at the chart in the middle, as you look at where we were at April 2024, and where we are now at April 2025, we're practically at the same levels as we were practically a year ago, even with all of the outflows that we've had in the fund so far for the year, which I think, As mentioned by Ms. Astri in her presentation, it's about $100 million we've taken out so far for the year to pay benefits. Mr. Chairman, first please, that ends my presentation.

0:40:31 I'd be happy to answer any questions. Thank you very much, Mr. Henderson. Any questions for the investment officer? And we know that I'm a motion to accept the investment officers report, so moved. Second, I think that was Dorsey was Dorsey in the wrong way. Just the 2nd, it was just the Clark. I will copy. Yes, Mr. Chairman, I trust the timing part. yes trustee clark yes trustee andre dorsey yes rusty dorsey yes trustee vincent liger let's see later trustee leiter not voting trustee ronald russell trustee russell absent trustee leona smith trustee smith trustee smith not voting trustee i'm sorry yes yes is my vote trustee smith yes trustee doing forward yes trustee hallwood yes and one more time for steve vinson liger let's see like they're still not holding so mr chairman four ea one not voting and one episode thank you mr i have a motion to go into executive session so move i make a motion to go into I move that we're going to executive session to to hear matters pertaining um legally and other personal and financial matters second

0:43:00 I need to record that one. so the motion chairman colwyn yes um yes i'd like to uh actually be excused from this executive session due to the conflict of interest given the person who is on the agenda to be discussed okay okay great thank you thank you so um did you do a rule no no you're holding oh trustee uh tom and clark yes trustee park yes trustee andre dorsey yes trustee dorsey yes trustee vincent leiger yes rusty leiger yes trustee ronald russell trustee russell absence uh trustee leona smith yes trustee smith yes trustee yes let's see forward yes Mr. Chairman five year one absolutely all right thank you um give us a couple of minutes

People named in this transcript

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3x **Trustee Leona E. Smith**
heard in this transcript as: Leona Smith, Smith

2x **Trustee Ronald Russell**

2x **Trustee Vincent Liger**
heard in this transcript as: Liger