GERS BOT·s Monthly Meeting 12/19/23

GERS Retirement System (Board of Trustees)

December 19, 2023 · 1.4 hours · gov

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0:00:00 i'm here yeah just saying good morning good morning sir how are you doing i'm good i'm good okay santa bringing bring you any good news i won't find out in my mouth less than a week oh yeah okay all right then all right yeah we'll call morning ladies and gentlemen this government employees retirement system regular meeting of of the Board of Trustees for Tuesday, December 19, 2023, is hereby a call to order. Can I have a roll call, please, Mr. Dalton?

0:00:38 Yes, good morning, Mr. Chairman. Trustee Nellen L. Bowery? Present. Trustee Bowery, present. Trustee Andre T. Dorsey? Trustee Dorsey indicated that he be joining me today. Okay. Okay, so absent at the full call. Trustee Vincent G. Liger? Present. Trustee Liger, present. Trustee Cindy Richardson, I did receive communication from Trustee Richardson that she would be out of the territory and that in her absence she would be represented.

0:01:22 and I see that we do have her representative here. Good morning. Good morning. Morning, a seasoned greetings to all Florine Hassell, representing Director Cindy Richardson. However, Trustee Richardson would still be notated as absent. Trustee Ronald E. Russell. Trustee Russell, absent. and if i may correct myself uh trustee richardson would be marked as excused not absent uh trustee leona e smith present trustee smith present trustee duane a colwood present trustee colwood present mr chairman we have four present um two absent and one excuse thank you Do we have any comments and suggestions from retirees?

0:02:27 Any comments and suggestions from active members? Okay. Are the secretaries' minutes for the regular board meeting of October 26, 2023? Are there any corrections that need to be made to those minutes? can have a motion to accept the minutes from the regular meeting of october 26 2023 mr chair make a motion uh to accept the uh the minutes move by trustee smith do i have a second second moved by trustee smith seconded by trustee liger can have a roll call please mr dawson Yes. Trustee Nellan Bowery?

0:03:21 Yes. Trustee Bowery, yes. Trustee Dorsey, absent. Trustee Liger? Yes. Trustee Liger, yes. Trustee Russell, absent. Trustee Smith? Yes. Trustee Smith, yes. Trustee Colwood? Yes. Trustee Colwood, yes. uh mr chairman therefore yay to absent thank you mr administrator um are there any communications and correspondences except outside of the previously mentioned correspondence from trustee registered no mr chairman to move on to item number seven the chairman's report i don't have anything to report that's not good the administrator's report yes mr chairman and good morning once again everybody compliments of the season to one and all it's my pleasure to present the administrators report for december 19 2023 beginning with meetings presentations and appearances so this has been distributed I don't know that I'll go through in excruciating detail of all of the items however from October 24th and 25th excuse me we continued with our v3 migration assessment sessions and I was able to I'm sorry I'm being distracted by a text right um I was able to attend a number of these sessions which were conducted facilitated by miss Jasmine Griot with participation from the subject matter experts in the various units of GERS I must say that the presentations were quite good and the sessions very well conducted so kudos to the team. October 25th I had Attorney Meyers kept me fairly busy on one particular legal matter but on October 25th I had various meetings a meeting rather concerning

0:05:49 various legal matters one in particular. October 26th of course we had the GRS Board of Trustees regular and executive meetings. October 27, the V3 migration assessments continued. On November 3, we had an extensive planning meeting with Ideas, the company that we retained to assist us in our strategic planning for the Haven site mall particularly with regards to the then upcoming visit that they were going to make on island which I'll cover a bit later on November 7 through 8 I will be three migration assessment sessions continued on November 12 through 14 I attended a good bit of the Caribbean hotel investment conference, known as Chico, at the Westin St. Thomas Resort newly opened. There were attendees from throughout the Caribbean at that conference and there was a particular interest to us, not that we're investing in a hotel, but of course we are about to be the landlord of a hotel and with Haven site mall, there's a direct tie-in to the hospitality industry and we're seeking to tap into that market even more so the overnight visitors so it was quite informative and the region is doing quite well in terms of overnight arrivals and the virgin islands is doing well also as was reported at the conference so we're very optimistic given the macroeconomic factors that the hotel project at Haven site should do quite well. November 13 through 17 we

0:07:46 had the team from Ideas visiting us here in the territory and St. Thomas particularly. I don't think that anyone made it to St. John and not as part of the official visit but that went very well. It was comprised of a number of sessions Most prominently, there was culture mapping, where we had four different sessions of representing a cross-section of the community that attended the sessions at what we call the White House at Haven site. I'm not going to call the names, but they're names that most of you would recognize, and they represented St. Thomas very well.

0:08:29 the team from ideas was effusive in their commendation at the level of participation and the depth of the knowledge of the individuals who participated in those sessions and it was really to give them to their credit they don't ever come into a market and presume that they know the market better than the people that live there so these culture mapping sessions um they were able to really get a good sense of the essence of of the the essence of the destination that they'll be working in with us in terms of developing the haven site mall uh that week we also had um one session but it was basically all day and that was called story jams um which which was a way of working together once again with a good cross-section of the community to reimagine the Haven site mall within the strategic planning context. So where culture mapping was dealing more with the history, the tradition, the culture of the destination, the story, so it was more backward looking. Every jam was forward-looking, it was imagining what it could be, and that too was very exciting.

0:09:59 Good cross-section of the community and excellent ideas came out of that. There were, throughout the week, visits to various locations, they looked at Crong Bay, which would be our competitor, quote-unquote. sites like mountaintop and megan's bay uh i think coral world may have been one of them main street so they got a really good lay of the land uh we concluded um the week with something called a hot wash where they gave their very preliminary findings to the management and to the haven site mall oversight committee so um that everyone involved the stakeholders would have some preliminary assessment from them uh we do expect to receive a document uh in the upcoming months we have a meeting this well this week uh with them where we'll get a better excuse me a better sense on the timing of that report so we'll be briefing this body accordingly probably in the next meeting but all in all an excellent excellent week with the folks from ideas on November 7th and 8th we continued our v3 migration assessment and please bear with me because the air conditioning is bothering my sinuses particularly in the morning November no I'm sorry what did I went backwards. November 29th, we being myself and select members of my senior team, as well as our consultant Siegel, had a meeting with Senator Volkis regarding some legislation that he's working on. That's all that I'm going to say on that matter at this time. December 1st, once again, Attorney Meyers had me quite tied up.

0:12:05 I don't even think I put all the dates on here, but it's all good, all important stuff. December 4th, we met with Senator Potter and his staff regarding proposed legislation, which will be which is one of the agenda items here today so we'll discuss it at the appropriate time December 6th it's not on this report I'm gonna amend the report to include this but we had our annual employee recognition function and thank you mr. chairman for attending with us it was very much appreciated by all the staff that actually attended and the turnout was very good and the participation was very good. December 12th we had the first of our two retiree socials on St. Croix which was pretty well attended and much appreciated by the retirees that came out. We know that they have been social apparently in the past but not a specific holiday social so that was noted and very much appreciated we it's not on here but I'm going to put it in and amend the report the following day I took up a long-standing invitation to Marion Morehead's radio program he wasn't there for that particular session but his sister Mary Moore had hosted that program and I was accompanied by Chairman Colwood as well as Miss Charon Sasso and it went very well it was a very good a very good radio program good questions and and I would say good answers but you know we will use every opportunity that we can to reach out to

0:14:16 our to our stakeholders whether it's retirees or active members and we are planning a calendar of events and appearances for 2024 that will absolutely encompass that that mission to have a good outreach um we continue the next day with the retiree holiday social on st thomas and I'm still speechless over the success of that event.

0:14:50 I mean, we were overwhelmed literally by the attendance and just the energy. To this day, it's still, I can't go anywhere without including last evening, running into retirees and just getting the appreciation. It really was a tremendous outreach and was so appreciated by the retirees who feel that, you know, they were given a forum to see their old friends and to just really partake in holiday cheer. So I think that we have started a tradition.

0:15:27 And, of course, it was also for me to introduce myself as part of our community outreach directly to the retirees. I'd like to thank Chairman Colwood, who attended both events, as well as Trustee Russell, who attended the event here on St. Thomas. But we're still literally basking from that event. And then on December 15th, we had the Havenside Mall Oversight Committee meeting. meeting and somehow I feel that there's something that I've missed but it'll be covered in the next report but as you can see we've had a very busy and engaged month and a half since we're sorry last night since like up to that well yes of course we had the that's what I was forgetting but my report cut off at a certain date so by way of information of course we had the the tree lighting It's called Deck the Halls at Havenside Mall, which was the venue of the governor's gift distribution.

0:16:38 But it was very much appreciated by our tenants because there was good attendance and many of the stores stayed open late. And as I remind my folks all the time, it's not just about feeling good and looking good, but at the end of the day, it's about the money. So I trust that our tenants had good sales. My wife can attest to that. She was quite busy shopping herself. So I'd also like to thank publicly the staff of Havenside in this instance, as well as GERS for the fine work that was done in assisting the mall and assisting government hosts in getting the event together. And of course, the staff, both on St. Croix and St. Thomas, played a tremendous role in the retiree socials, as well as the annual recognition that was held here on St. Thomas. We had the, since it's a smaller team, and we wanted to come together as a team. We had the employees from St. Croix come over for the day to join us at the annual employee recognition. but these things don't happen in a vacuum they take tremendous effort and I would like to thank my Senior Deputy Administrator Ms. Asia Clendidden who led most of these efforts in terms of intricate detail along with some key people that worked with her and of course all of the employees that participated in making these events just wonderful successes and you know I'm in my six month as administrator so it will be a year of first for me and they have been very very many good firsts so far so I look

0:18:33 forward to the next six months I'll be experiencing some more firsts and then I'll be in my second year nothing will be a first anymore but it's been going tremendously well so thank you for that indulgence Mr. Chairman. Proceeding with the with the administrators report I'll give the usual updates in member services we had sorry my cursor is moving my report so I'll report on retirement applications as of december 15th uh 2023 um for fiscal year 2024 we had a total of 19 applications all of which are being processed uh presently um from compliance and control uh in terms of refunds um october 1st through november 30th 2023 there were 136 cases uh completed and there are 32 cases pending in terms of the amount of refunds that were actually issued um there were a million three hundred and eighty uh a million three seventy nine rounded of which uh the bulk were uh regular uh refunds in terms of employees that's um that's were not vested and left government service and requested that their re that their contributions uh be refunded uh death benefits uh for october and november uh there were seven uh cases um that were completed and that amounted to four hundred and six thousand dollars uh rounded there are 46 cases pending that are being worked on diligently uh from accounting um in terms of annuity payments and of course there'll be a more detailed treasurer's report um but in terms of annuity payments um from october through first 2023 through december 15 2023 um there have been a total of from

0:21:01 Sorry, Ms. Jeremiah, there seems to be a problem with the math here, but service retirement annuities for that period, total $54,500,000 rounded. The $11,154,219 is related to the bi-monthly annuities, right? So we've arrived and have been for some time at about $11.1, $11.2 million bi-monthly in terms of payout to retirees disbursement by location we continue to have St. Croix at around thirty four thirty five hundred payments St. Thomas at a bit over four thousand and

St. John at a little over two hundred for a total of 7500 on average not that those are those are direct deposits and those are the local distributions in terms of off-island we have Puerto Rico in the United States and international which is about 17 eighteen hundred per period for a total presently of ninety five hundred by monthly annuity payments so as was discussed when we were on the Morehead program last week in response to a question by the co-host it is clear that the retirement system and these annuity payments is significant and play a tremendous role in the economic vitality of the territory so we continue to work hard to ensure that we can pay those make those payments timely um did miss Nico return to synchronous no she's here we should have asked her to be here but that's fine. In terms of the loan portfolio, presently it stands at about eight point two million dollars and as we shall be discussing later on the agenda, it is quite possible that we will see that number grow in calendar

0:23:44 year 2024 beginning in calendar year 2024 um of the 8 million 200 000 of loans outstanding um 5.2 million is on in the st thomas and john district and about 3 million in the st croix district those of course historical loans because the loan program has been suspended for a few years and not growing but but running off um I don't think that we really need to get into this minute detail regarding the breakdown of personal loans and mortgages but it's in my report and available to all trustees and of course the public as well in terms of operations and our office complexes there are no there's just regular ongoing maintenance no major issues in terms of ongoing projects once again these are primarily maintenance items we did have at con do very extensive environmental cleaning here at the building in St. Thomas I we do have some problem spots that that can you to be to be addressed in terms of human resources it gives me great pleasure to introduce and write on cue this call I do want to tell them out thank you it's my colleague from Waiko. You never know if it's important. We'd like to welcome Miss Danica Thomas who's here with us in the in the boardroom today who joined us on December 4th as our Director of Communications, Engagement and Organizational Effectiveness. I usually just call her the Director of Communications and she has already hit the grung running so Danica welcome

0:26:02 on board we're very happy to have you all the best to you here the GERS um so Danica will be working with us extensively in terms of and this is the engagement part of her title in terms of engagement with our our active members as well as our retirees and she will be an integral part of planning that i told you we'll be doing currently for 2024 in terms of having regular outreach one of the things that i think the socials showed us is that we could really utilize our facilities in both districts more regularly for our members and retirees basically make it their clubhouse not just for social things but to really feel engaged and knowledgeable and most importantly engaged with the GERS staff. So we do plan to have regular educational seminars and things of those sorts and Danica will be an integral part of that process. I did mention Havenside Mall where we had the Christmas tree lighting last evening. A lot of the impetus for the excitement that we have surrounding a new energy at the mall has to do with the construction of the hotel which is proceeding apace um praise god the pilings are all complete so we won't have any uh complaints not that there were many but there may have been a few from our neighbors at waco and there are no disruptions uh with regards to ship visits um because of piling um so you know the infrastructure is a difficult part that's the part where it looks like nothing is happening from the other side of the fence but a lot of stuff is happening in the ground um and after the infrastructure is complete then you begin to see the building rising like a mushroom overnight um it's still very much in the infrastructure phase and i'm sure though that by early next year you'll begin to see

0:28:14 the building actually rising out of the ground so we attend generally the weekly construction update meeting that haven development has just a monitor to ensure that there are no impediments there are no problems that we need to be aware of and presently it's proceeding quite well associated with that is the demolition of the adjacent warehouses actually most of that warehouse is already demolished but you wouldn't know looking from the side by the stores because that just that facade essentially is left as well as the steel frame um but even that is moving along well and miss clinton and when do we expect that that is going to be completed before the end of jan before the end of january right so um what that's going to do for us is really open up um main street in terms of the the view not only main street actually the whole property but primarily around that area and when you drive in you're going to just see the vast expense going straight out to the harbor unless there's a ship which is a beautiful site as well um but it's really going to greatly improve the optics of um of the property uh continuing on uh well i touched on the ideas um a visit and work that continues with them we should be getting documents imminently that will aid us in our strategic planning for the haven site mall we do have some ongoing projects at the mall one of them is the waterline replacement which is critical because we had some water issues just recently uh particularly with regards to what's happening with uh with wapa periodically not to call them out or anything we all know the challenges that they have but it results in challenges uh for us as well um all i would say on this is that with the assistance of mr otis smith our operations manager at even site mall we've

0:30:33 been able to work around the issues and service our tenants in terms of their need for water. Regarding rental and electricity collections, we have some detail here. Our lease payments are are essentially all current. And the tenants at Havenside Mall that were supposed to begin paying at the 80% rate as opposed to 60% due to the rent abatement in the wake of COVID have complied. So there was some initial issues that we dealt with very forthrightly. And as a result, everyone is paying at the level that they're supposed to be paying. We do have a small amount of arrearages related to, well, I was speaking about Haven Site Mall in particular just now, but we do have some rent arrearage with regards to tower facilities here that we're sitting in.

0:31:45 And that surrounds the Division of Personnel and the Police Department. But both of those, I'm sorry, Justice, Thinking Law Enforcement, Justice. Police hasn't moved in as yet. We don't anticipate any issues with them. But everybody's reading in the media about the, as recently as this morning, about the government's, what shall I say? challenging start to the fiscal year in terms of cash flow so they're caught up in that it's not a matter that they don't want to pay but they were working with them they're a rearrange combined is about ninety three thousand dollars and I have every confidence that we'll be collecting that as soon as possible I I think that even that is a vast improvement over the past years in terms of where they were. So we monitor it continuously and we get regular updates. So we think that we'll be fine there in short order. And there's a detailed breakdown of the arrearage for justice and personnel in the report.

0:33:07 that shows a composition of the $93,000. Continuing on, I think this is where you pick up Ms. Jeremiah with the treasurer's report. Conclude your report? Yes, so I will conclude my administrator's report at this point and would be happy to answer any questions that there might be. Any questions for the administrator? that i have one mr chair um in regard to the emerges um do we have any for haven site merchants you only said for the complex but do we have any outstanding um with the morton um mr jeremiah is going to cover that in her reports uh coming up okay the other one that i had was the other one that i had um i know you said you met with our senator bulquist um in regards to some pending that um legislation i was wondering um mr chair um i think a trustee should be uh invited to those meetings as well okay um i wasn't invited my understanding it was an idea that he had and i guess he wanted to be to it the grs to see what he was thinking was was feasible or practical or something so i wasn't inanimate i think he was just exploring and wanted to get some input from grs as to whether or not he was starting to proceed on a good road uh you're correct mr chairman and it was a more technical discussion in terms of those facts and figures and possibilities all right any other questions yes in addition to that um to the chair in addition to your um uh media outreach i know i think i'm board is a tongue meetings um are you planning any tongue

0:35:21 meetings um in the next uh few months um mr darston uh yes yes um and we would even expand that to actually going to st john um so while it's two districts is three islands and we would be going to send john as well but yes we'll be using all the tools at our disposal and that will include uh town hall meetings thank you you're welcome any other questions all right um committee reports committee chairs Trustee Vosal is in here. They have no reports. There was an interest by this. No.

0:36:21 Are we going to do the CFO's report? Yeah, we're getting there. Oh, okay. Sorry. Trustee's next. Okay. Good morning, go to your other trustees. this is the treasurer's report for the month of november 2023 we have receipts from collections we have loan repayment of 465 000 year to date 1 million 1.4 million rent from tenants we collected this month 2000 year to date year to date 267 and i will go back loan repayment year to date 890 yet fiscal year 23 is over employer retirement contributions we collected for the month 8.9 million year to date 15.8 employee retirement contributions 5 million year to date 8.9 million year-to-date for JRS bond note we collected 123 million total miscellaneous for the year six hundred and eighty six thousand for this month 110 so we have a total we have a total collection of 14.5 million year to date 150.4 million disbursements we have annuity payments 22.7 million for the month of november year to date 45 million administrative

0:38:19 expenses. We have $1.4 million. Year-to-date $2.6 million. We have some refunds of personal loans of $13,000. Year-to-date $15,000. Refund of contributions, we had $1.1 million. Year-to-date $2.2 million. For total disbursement of $25.3 million. Year-to-date $50.1 million. so we ended up with a net cash deficit of 10.8 million for the month and a year-to-date net cash surplus of 100.3 million could i interrupt you mr chairman um to the executive director any any word about whether we will get any additional amounts for the um to the 123 million dollars uh no official uh formal word uh however i have um seen indications from the governor's uh washington representative through um various postings that she has made that work continues with the powers that be in in washington and that they are still optimistic that the legislation required for the tax extender will be passed and that we would then be able to get the remaining 34 million dollars okay so the the bottom line is that until the the the return rate is is back up to 13 25 we're stuck with the 123

0:40:21 essentially yes because that would be the source of the additional 34 million dollars yeah i mean okay okay i mean the last last year and the last time around they were able to identify additional monies to make up for the shortfall. So I'm assuming that that's not an option this time around. Your assumption is as good or better than mine.

0:40:55 Okay. okay and so you said the last conversation with um the delegate is what what's the status not the delegate the governor's washington representative um miss terry helenese um i've seen indications that the work continues and that they believe that progress is being made but that's not an official statement okay so we we have we don't have any assessment from the from the delegate i mean it requires legislation so um i would assume that the delegate will be at a position to tell us that any represent any representative okay hello here we are we have to meet him for this oh okay okay okay are you good huh are you you does that come yeah yeah yeah yes yes yes yes i'm sorry okay good um continuous okay at november year end we have withdrawn from our state street portfolio 15 million and that um ends the grs main report now for the haven site um schedule of receipts and disbursements we have collected for the month of november four hundred and forty seven

0:42:51 000 year-to-date collection 871 000. we had expenses of 524 000 which includes um 25 000 for capital project year-to-date capital project was 208 and we have year-to-date disbursement of $1 million. We have a net cash deficit of $77,000 year-to-date net cash deficit of $169,000. Year-to-date expenses were 13% of the budgeted amount and that ends the chairs report so miss jeremiah in your um absence due to approved leave of course um we did have a discussion in the haven site management committee um with miss leblanc uh with regards to the format of presentation because essentially the report that you just read and that she presented is a cash basis report uh in the sense that it reflects cash out including for capital expenditures which could result in some unintentional distortion of the actual operating performance so uh but we'll discuss that uh further uh it's a point this is truly a cash report sir precisely what the board requested so this is a cash report understood but if I may be allowed the privilege of evolution and ensuring that we have a more accurate picture

0:44:42 of the actual operation. Because of course, if you put a million dollars for the sake of discussion of capital expenditures, capital investments in a report in a given period, it is going to appear one way versus on an accrual basis you expense over the economic life of the of the of the investment appropriately and spread that expense over time so it's a technical point but if you know there are changes and changes are fine but it's not to make a a reflection that the report is not as it should be because this was what the past board members requested and needed so mr chair if i may um in terms of of recommendation and guidance uh i i do believe that and thank you for that because of course i wasn't here when whatever uh format was requested and agreed upon but i would strongly recommend that um it be presented on an accrual basis which is more appropriate in terms of capturing um depreciation over a period of time as opposed to hitting the income statement with the entire cash outlay because that simply is not uh the way that our books at the end of the day are reflected when we present uh financial statements and that have been audited i can agree but remember again this is a cash flow so there's a difference between a cash flow statement and the financials right present so we present both right exactly right can agree with that good thank you um any questions always jeremiah

0:46:43 was she going to respond to the trustee smith's statement about the marriage for ten oh yeah the haven site um mr chairman yes mr chairman yes i'm looking at um what miss got me and sent to me i requested it oh what was the question and the question what trustee smith asked only about the averages at haven site jeremiah is getting a updated information as of today the total outstanding amount is 2.5 million and that's a lot and what are we doing to our people um money minus the abatements these are some of it is i believe let me look at the report again it is small for my eyes you have some stores that have left and haven't paid it's the hood so you have all that so you have um a couple i'm not going to call any names but there are some stores that have left them all that have outstanding still available and the legal council will at an appropriate time address what has been done in those cases okay that's all i was going to ask so thank you thank you any other questions for the cfo all right can i get a motion to accept the treasurer's report

0:48:36 can mr chair make a motion to accept the treasurer's report can i get a second please second i've moved by trustee smith seconded by trustee barry can i roll call please this administrator yes trustee burry yes trustee barry yes trustee dorsey absent trustee liger yes trustee liger yes trusty russell absent trustee smith yes trustee smith yes trustee callwood yes trustee callwood yes mr chairman four yes two absent Thank you.

0:49:32 Next up, the Investment Officer's Report. Mr. Henderson. Good morning, Mr. Chairman, other trustees. This is an update of the investment portfolio as of November 3, 2023. Just a quick summary of how the markets performed for the month. The global stocks and bonds were positive for the month. The slowing rate of inflation in the U.S. and other regions other regions gave increased hope that interest rates may have reached their peak u.s and international development equities advanced strongly in the month as the cooler than expected inflation reading pushed up rate sensitive areas of the markets such as real estate and technology stocks also consumer discretionary stocks performed strongly emerging markets also had strong gains for the month, albeit slightly behind their developed market counterparts.

0:50:28 Global bonds, to include government bonds, credit, both investment grade and high yield, and securitarized assets, all rallied in the month as well, in anticipation that the central banks are very close to ending the rate hikes. As a plan, total plan performance for the month of November. The plan returned 6.4% for the month. We're up about 4.5% fiscal year to date. Our total domestic equity returned 9.5%. Our total international equity portfolio returned 8.8% with the developed market portion returning 9.2% and the emerging market returned 7.8 percent our total fixed income returned 3.7 percent in absolute basis um investment grade bonds returned 4.5 percent our tips portfolio returned 2.7 percent our high yield bonds returned 4.7 percent and overall our total alternative returns was done slightly about 0.1 percent or 10 basis points uh what did that equate to in activity so for the end of the month we ended the month approximately at 545.9 million in the portfolio and this was minus or this was um excluding our member loans program and our st thomas and st croix office complexes uh in that in the month of November, we needed to raise $18.3 million from the portfolio to replenish our cash on hand. We saw that total $13 million from our Russell 3000 index, and we saw $5.3 million from our U.S. high yield bond index. So if you look at the record of asset growth for the month. We began the month at approximately $513 million in the portfolio. We had net

0:52:34 cash flow of $38,000, basically just our management fees. We had income negatively of $27,000. We had an unrealized gain in the portfolio of about $33 million rounded. brought us to the ending market value of 545.9 million at the end of November. FY year-to-date, we began at 413.5 million. We did receive, as mentioned in the previous presentation, we did received that 124 million from the funding note uh net cash flow fya to date is 109 million positive uh we have income of 147 448 rounded uh yeah our fit fya to date we have um a gain of about 23.3 million that brings us back to that ending market value of 545.9 in the portfolio uh as i mentioned a little earlier we had about 38 000 um dollars in expenses for the month investment related uh 22 000 of that was uh um investment management 16 000 um was custodian bank services. Year-to-date, we've expended $391,000. Of that $391,000, $94,000 investment management, $190,000 in investment consulting fees and $107,000 in custodial fees. And FYI, year-to-date, we've expended about $103,000. $22,000 of that investment management fees, 49 000 investment consultant fees and sorry 2000 for custodial bank fees uh as it relates to securities lending month to date uh we earned about 2.8 i mean two thousand two thousand eight hundred um dollars month to date year to date having a year to date uh we've we've earned about $3,000, and our fiscal year-to-date we've earned about $5,243.

0:55:01 And, of course, those proceeds are invested back into their respective funds. As you can see on the allocation by market value, we have about $216.2 million in domestic equity, about $98.7 million in international equity. Our domestic fixed income is holding about $143 million in assets right now, alternative investments about $68 million, and we have about $20 million in cash as of the end of November 30th, 2023. Mr. Chair, trustees, that concludes my report, and I'll be happy to answer any questions you may have.

0:55:43 Thank you, Mr. Henderson. Any questions for the investment officer? Which one of those categories are our investment, the loans to employees or retirees for? Currently, we don't have the loans portfolio documented at the state street level. So it's not included in in that total okay okay i got you okay so what when we look at our overall um asset allocation that we we we pass as a board uh it it would be included in in that right it should be yes correct okay and uh so which one which one of those categories would it fall into you recall i mean there's about four four categories that we had uh we redistributed that we said as a policy that will allocate uh our assets on this right i think those are the investments uh the marketable investments right so the personal loans and mortgages what have you would be alternative investments correct so they would roll up into that large bucket that i think we have on our target as alternatives okay okay you require what percent we had allocated to that as a policy to alternative investment i'll have to i believe it was five percent or ten percent

0:57:50 okay all right all right thanks i think that that's going to become a discussion purpose a discussion item when we start talking about reinstating the loan program so also trusty barry there has been a discussion over some years as to where if the if the loans portfolio and uh i think our board council could probably um chime in a little bit as to if the um the local investments which we've we've lumped the member loans program is part of the overall alternative investment for the plan okay so i think maybe we need to have some further discussion at some point in time yeah okay any other questions for mr henderson i have a motion to accept the investment officer's report Move by Trustee Bowery, seconded by Trustee Smith. Can I have a roll call, please, Ms. Administrator?

0:59:12 Yes, Mr. Chairman. Trustee Bowery? Yes. Trustee Bowery, yes. Trustee Dorsey absent. Trustee Liger? Trustee Liger? Trustee Liger not voting. trustee russell absent trustee smith trustee smith yes trustee smith yes trustee colwood yes trustee colwood yes uh mr chairman three yes two absent one not voting all right thank you um next item on the agenda do we know if we still have first Did he like her online? Did he maybe drop?

1:00:15 That's why he still couldn't not vote him. Okay, let's take a one minute reset. He didn't say he was linked up. Are there any issues with the calendar that was distributed, the days that were distributed in the package? Can we take a point?

1:01:00 All right. All right, can I have a motion to accept the proposed 2024 board meeting calendar? All right, I so move. Move by Chelsea Bowery, can I get a second please? seconded by trustee smith i have a roll call please mr administrator yes mr chairman a trustee valry yes trustee barry yes trustee dorsey absent trustee liger yeah trustee liger yes trustee russell the trustee russell absent trustee smith yeah trustee smith yes trustee callwood yes trustee callwood yes mr chairman four yes two absent all right thank you calendar is adopted okay let's take a minute mr dawson just want mr dawson to give me a call after the meeting so you know what you keep forgetting to to ask him okay I'll be happy too sir okay let's have a five-minute recess we're gonna reset for five minutes okay we're back on the record um next item up discussing about bill number 350196 that's a bill proposed by Senator Potter that seeks to accomplish a couple things it seeks to remove the 8% interest rate for the loan program that was set in Act 7880 I believe it was

1:03:14 um um the goal um yeah thank you oh thank you um bowie and um legacy huh i'm here oh we just came out he said I don't think Bowring intended to leave. Maybe he dropped.

1:03:51 Okay, let's call him. Let me pass for a second. I believe Trustee Bowring just dropped off of the line. I don't see any of the issues you don't have when you need to force them. It's not matter what I'm looking for, I don't want to do it.

1:04:32 i need to tell him again trusty bori if you can hear us you're muted good day were you speaking to me passel no no no no no trusty thank you Can you call him on his cell?

1:05:06 I did. I sent him a text to tell him off. Anyway, hopefully you can hear him. all right so uh mail 350196 seeks to remove the hard eight percent um interest rate that was set for the loan program and also to um set a cap and a general liability for the grs system at 75 000 as exists for the central government as well as other semi-autonomous governmental agencies that's that's so that's the crux of what is intended by the legislation to remove the 10 million dollar limit no okay can you guys hear me yeah now we can hear you okay all right essential that was a matrix no okay so mr chair a move from 65 000 from the cap to 75 000 is the cap that's correct there's no capital right now there's no capital okay there's no couple grs there's a couple port authority waste management authority making it by authority there's none for grs so we talked about liability you know oh i got you i got you i got you i'm at the lab yeah

1:06:56 i got you okay i understand thanks okay could could i could you guys apologize could you feel me where you're at now we're discussing bill number 35 is your 196 we just okay okay so uh mr chairman yes sir hello yes could you explain i am not sure if i understand what um is trying to be done in reference to the eight percent okay so in i believe of senator gittings when he when the when a legislature enacted legislation mandating that the system restart the loan program they set the interest rate at eight percent so if we decided we want to reinstate the loan program we're stuck at the eight percent we don't have as a board we don't have the flexibility to say we want to charge ten percent but we want to charge six percent we would have to any we would have to go to the legislature to make to make um adjustments to that so that they just seeks to remove the hard um interest rate and it would allow the board to determine what the interest rate for the loan program is going to be i'm sorry go ahead i'm sorry you were saying now the board has the authority to decide what percentage that's what we're seeking to do because in the when they pass the last bill to uh mandate that is that we restart the loan program they also set the interest rate at eight percent so if we were about to restart a loan program and we determine that we need to charge ten percent or because of market conditions we need to charge six percent we would have to go back to them we are stuck at the at the eight percent so we would have to go back to them to make any adjustment to

1:08:50 the interest rate you know and that really should be it really should be a board function so the the eight percent was a hard number or is not to exceed eight percent no it's a hard number okay it's a hard number so it doesn't give the board any flexibility at all so the legislature seeks to remove the hard number and that would fall on a board to determine what the interest rate should be um the legislation also sets a restart date um the order line from september the end of this fiscal year september 2024 the previous act that did not the previous act to restart the loan program did not set a hard date and there was some effort by certain senators to take the system to court um saying that we were not in compliance with with the act even though the act didn't have a deadline um i have i had discussions with a previous administrator when i became board chair about restarting the law program those con those discussions continued with our current administrator and behind the scenes they have been working and putting stuff in place so that whenever the board decides we are ready to restart the loan program it could be rolled out in short order so does does the um does the staff have a recommendation and is and and if so is that something we need to discuss in regular session or something you need to discuss in executives with regards to the interest rate recommendation we got the interest rate or started well with regard to yeah start start there the whole the whole thing about restarting the program including dates and and interest rates and that kind of stuff okay well um from my perspective i think given i think we'd have to wait to see what the fate of this legislation is because

1:11:02 once the bill is voted up or down there we know what the parameters are we know what we're working with and then that way we could sit down and have a uh informed you know discussion as a board with the staff as to a um interest rate a timeline what the program should look at just would look like i think it would be kind of premature to have those discussions not knowing if you're stuck at a hard eight percent grade or you know or you have some flexibility so it's so what as a board responding are you going to have to testify it to and and if so what is going to be our position because the position is going to be that that i think the position should be that we the board should be allowed to determine to manage the loan program in real time you know with respect without having to come to the legislature to you know have changes made to the version i was called every time that we feel that there's a change um that that in interest rates that needs to be need to be changed we are the board we're looking at the numbers we know the financial status of the system in real time up to so so you're saying that the discretion should be with the board up to and including the start the restart date well the recent date is just a deadline it we're not and that's foul that's september 2024 we're preparing for something much shorter than that so the september i mean they started um i stated in the bill september 30th 2024 that's that's more than way more than we need to to work so that that's not do we do we have any criteria that we're going to use as to decide when we are ready to restart the program from a fiscal from financial point of view um remember yeah i i let's see that for the executive session i don't want to okay okay

1:13:15 um trustee laiga yes sir i think your son asked a question well what i was what i was about what i was thinking is that if we're referring to uh interest rates um i believe we would have to include um our advisor seagull so so we would be on the right foot when we make a decision whether we would charge 8 or 5 or 6 percent because whatever we charge would reflect on our financial situations.

1:13:54 Most definitely. I'll get a little further into that in a session. Okay. So, General Chelsea Smith. I can call him um for the discussion um and especially that one is the like i said in regards to having seagull um involved in um in it as well okay so it's so is it the consensus of the board is that we're in favor of the legislation just once we have the control i'm not hearing her very clearly but what she said once we have control control i said once we have the control yes yes in agreement with the legislation but once once the board is in control of that okay including including including what including the data are we are we accepting this to start it it's a deadline here's where i'm gonna i i think i think the the restart date should be determined by some parameters that we said like um we are at in terms of our investment balance and cash flow and that stuff as opposed to a hard day no no so that that's where i'm coming from but um assuming assuming i'm assuming that the that the legislature has the authorization and pedro is here i'm assuming that for this discussion and the legislature has the the the legal authority to set that date and to mandate

1:15:43 that we started with that that's correct assuming this bill is adopted then that would be the date or the legislature could set any date that they choose that it chooses but once again i think it's important to note that it's a deadline that has been proposed not a start date so we can start later sooner but can start later than the date indicated in the legislation where to pass right but the trustee's questions whether or not the legislature could set a date and the answer is yes which is what they've done they're saying that by this date you must have restarted the loan program well i guess it's semantics because you we're seeing it as a deadline as opposed to a date because they didn't say you have to restart on march no no no no that was not my question my question had to had to do with whether they have the authority to set the date right and they can do that okay whether you call it a date or a deadline they can set it all right okay okay um all right so can i have a motion to go into executive session i'll say a little more a little more concerning this uh some of the motion to go into the executive session do we have anything else on the agenda of it's possible that we may have to amend the agenda to add this uh item to add the loan discussion discussion

1:17:37 why are you breaking up my thought was that if we had anything else we finished anything else we have i'm going to exhaust executive session in regular session i haven't seen anything else so can i have a motion to amend agenda to continue this uh the discussion of bill 35 0196 an executive session still move second a move by trustee smith secondly by trustee barry can have a roll call please yes mr chairman uh trustee barry Yes. Trustee Barrera, yes. Trustee Dorsey absent. Trustee Liger? Yes. Trustee Liger, yes. Trustee Russell absent. Trustee Smith? Yes. Trustee Smith, yes. Trustee Caldwell?

1:18:31 Yes. Trustee Caldwell, yes. Mr. Chairman, four yes. Two absent. Can the motion carries? Can I have a motion to go into executive session, please? I would like to make a motion to go into an executive session to hear matters pertaining to both personnel and legal matters. all right so trusty smith has moved that we're going to executive session to discuss uh 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 second on that motion please i second seconded by trustee liger kind of a roll call please yes trustee barry yes barry yes trustee dorsey absent trustee liger yes trustee liger yes trustee russell absent trustee smith yes trustee smith yes trustee colwood yes trustee colwood yes mr chairman a matter involving a disability applicant privileges of the floor anyone all right kind of a motion to adjourn move moved by second second by trusty barry have a roll call please

1:20:26 yes uh trusty barry yes trusty barry yes trusty dorsey trusty dorsey you're on mute yes trusty dorsey yes trusty liger yes Yes. Trustee Liger. Yes. Trustee Russell absent. Trustee Smith. Yes. Trustee Smith. Yes. Trustee Collowood. Yes. Trustee Collowood. Yes. Mr. Chairman, five yay, one absent. All right. Motion carries. Have a Merry Christmas, everyone, and a Happy New Year.

1:21:00 Thank you. I'll see you guys next year. Thank you. Merry Christmas, everyone. Okay. Thank you, guys. Yes. Everyone have a safe holiday. Thank you. thank you i second that i second that

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.

11x **Trustee Vincent Liger**
heard in this transcript as: Liger, Vincent G. Liger

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

7x **Trustee Ronald Russell**
heard in this transcript as: Ronald E. Russell, Russell

6x **Trustee Andre Dorsey**
heard in this transcript as: Andre T. Dorsey, Dorsey

3x **Senator Milton E. Potter**
heard in this transcript as: Potter

2x **Senator Angel L. Bolkis Jr**
heard in this transcript as: Volkis

Bills and acts referred to

Matched by number against our own acts corpus. The number is what the recognition heard, so it may be wrong; where it resolved, the title is the one the Legislature gave the act.

Act 7880 Act 7880 · An Act amending title 3 Virgin Islands Code, sections 717 and 766 by requiring the GERS to issue personal loans to members in an amount not to exceed $10,000 and requiring that the personal loans issued not exceed the aggregate amount of $10,000,000 per annum, per district and by making a technical amendment ---()

Referred to but not found in our acts corpus: Bill 35-0196