GERS BOT·s Monthly Meeting 02/22/24

GERS Retirement System (Board of Trustees)

February 22, 2024 · 0.7 hours · gov

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0:00:00 You Good morning, everyone all right this government employs retirement system of the boards and islands regular meeting of the board of trustees for thursday february 27nd 2024 is here by carl door can i have a roll call please yes uh good morning good morning mr chairman um nellen trustee andrea dorsey Present.

0:00:56 Trustee Dorsey, present. Vincent Liger. Present. Trustee Liger. We're having some technical issues. Okay, Trustee Liger, present. Ms. Director Cindy Richardson, ex officium. Present. director richardson present trust uh ronald e russell excuse trustee russell excused leona e smith trustee smith present dwayne a colwood present trustee colwood present uh mr chairman you have five present including director richardson and two excused Thank you, Mr. Bassett. We have any comments and suggestions from retirees?

0:01:57 Hearing none, we have any comments and suggestions from active members? okay hearing none um secretary's minutes from the january 25th 2024 board meetings are there any corrections or adjustments that need to be made to the minutes can i have a motion to accept the minutes from the january 25th 24 meeting so moved so moved moved by trustee smith trustee dorsey the second second seconded by trustee dorsey roll call please yes uh nellen l murray absent excused andre t dorsey yes trustee dorsey yes vincent g liger not voting trustee liger not voting ronald e russell absent excused leona e smith yes trustee smith yes duane a colwood yes trustee colwood yes mr chairman three yes one not voting two absent thank you are there any communications and correspondences uh yes mr chairman there is one it's in the form of an email dated february 4th from miss mary moorhead and it reads as follows attention ger s board of trustees the The visit of Director Dawson and Chairman Colwood with St. Croix Government Retirees, Inc., SCGR, on Tuesday, January 30, 2024, was appreciated. This message highlights items requested to be considered by GERS Board of Trustees. Written response to SCGR is expected. 1. To write PFA to provide GERS the millions that will not materialize until the RUM coverover is $13.50. two to revisit eligibility requirements particularly for retirees to be a GERS trustee three to allow open meetings in accordance with BIC intent zoom is in a I assume meaning not applicable the Board of Trustees must research for Coakley Bay property to construct housing that GERS members can obtain with the mortgage program thank you Mary L Moorhead and this correspondence was copy to uh all members of the board of trustees

0:04:51 does that conclude the communications and correspondence yes mr chairman all right um the chairman's report on january 30th 2024 um along with the administrator we attended the meeting of the st corey government retirees team um that concludes the chairman's report administrator's report Yes, good morning again. The administrator's report for the regular board meeting of February 22nd, 2024 is rather lengthy, so I will proceed with highlights. As usual, I have highlights of my meetings, presentations, and appearances in the intervening period since our last board meeting. On January 26th, I held a direct reports meeting. On January 29th, I held meetings with various internal units of GERS. On January 29th, I participated in a meeting with Vitec, our benefits administration software provider. On January 30th, as just indicated with the correspondence that I read I met with along with the chairman with the St. Croix retiree group I must indicate that it was very well attended quite lively in a very good way and I certainly look forward to our next meeting with the St. Croix retirees I will actually as a footnote be meeting with the St. Thomas retirees Gruff in the month of March. I've been in communication with the director of that group, Ms. Hart. January 31st, I had a meeting with the Haven Development Group along with our Chief of Operations, Ms. Asia Clendon and Gums. On January 31st, I had the pleasure in participating in the January Birthday

0:06:50 Social. We resumed celebrating our employees' birthdays on a monthly basis and Mr. Chairman it must be noted to put your business out there that you're January as well and you were welcome to our celebration and you certainly did participate so we thank you for for attending and being a very good participant. On February 1st I had a meeting with the Haven Site Mall management team. On February 2nd I met with Vitek regarding our ongoing migration and various other issues that we are covering with them on february 5th i had a meeting with ideas which as you will recall is the group that we have contracted with to help us with the reimagining of the haven site mall and we continue to make progress under that contract on february 6th i I participated in an exit meeting with the Government Accountability Office, and just a footnote on that. This is an initiative that began prior to my arrival here at the GERS in July of last year. I understand that it was either initiated or somehow facilitated by the delegate to Congress.

0:08:14 apparently there were extensive meetings and visits with the team here and they had the point now of getting ready to issue their report so I participated in this exit meeting with mr. Kevin Williams of the governor's office the report has not been issued in final form based on the draft that I received we were able to provide some comments and input including updated financial information regarding the GERS that will be taken into account in revision of the draft report before the final is issued so pending any further questions from the GAO we expect that we'll be receiving the final report imminently on February 8th we had a planning meeting with Haven site Haven development rather regarding the haven site mall green space that continues to evolve in a very positive way on february 13th of course we issued the gers newsletter the first one in my tenure here the grs i hope that everyone received it on the board and in present company and i would like to give a special thank you to miss danica thomas our communications director and uh miss asia clinton and gums who are both instrumental in in compiling and preparing that newsletter which i was very very pleased with and i hope that everyone else who received it which would include all of our stakeholders were equally pleased with it um february 17 through 18th i participated with the staff uh in st croix at the agricultural and food fair at the gers booth i would like to indicate that i was very pleased to see trustee smith who spent a little time with us thank you very much trustee smith we certainly look forward to having trustees at our various events so your presence was most welcome february 20th i I was a guest on the On Point radio program, which is Senator Carla Joseph's radio talk show, and I truly enjoyed that as well.

0:10:39 And February 21st, I participated in a data management meeting with the Division of Personnel and Buck Consultants, that is doing some work with regards to open which is other post-employment benefits that is being compiled for the department of finance in conjunction with the issuance of the government's annual audited financial reports so those would have been my highlights of my last month or so continuing on as usual we give a report on various areas member services we have received a total of 200 no I'm sorry a total of 41 applications for retirement in fiscal year 2024 which are currently being processed we have a total including prior years that are being processed of 144 retirement applications pending completion with regards to contributions processing We processed in the period October 1st through January 31st, a total of 246 refund items, totaling $2.9 million. There's still about 63 cases pending that are being worked presently. In terms of death benefits, we have, for the fiscal year through January 31st, completed 17 death benefit applications, totaling $1,087,000, and there are 39 cases remaining to be processed.

0:12:39 In terms of annuity payments, the number of retirees as of February 15, 2024 on the retirement payroll is 8,780 individuals. In terms of cumulative dollars paid out for the fiscal year uh through february 15th uh that would total 100 million 660 thousand 124 dollars the number of retirees added to the payroll through february 15th is 126. um the number of retirees expected to be placed on payroll for february 15 2024 was eight. The number of retirees deleted from the payroll through February 15th was 106. And as a note, the retiree payroll by monthly is $11.2 million, twice monthly. Disbursement by location, we have 1,738 retirees who are outside of the Virgin Islands. seven thousand six hundred and twenty two within the Virgin Islands and that's retirees and that's total annuitants including service retirement annuity survivor annuities disability annuities what have you the bulk of those are paid by by ACH and a very small minority by check even though we would like to get everyone on ACH as opposed to check. Loans, in terms of our existing portfolio, is relatively

0:14:32 small. That, of course, is about to change with the approval of the board of the limited restart of the loan program by April 30th. Presently, we have total loans and mortgages of 760 there are 399 on st thomas and john and 291 on st croix and in terms of dollars it's a total portfolio of 7.6 million dollars 4.9 million dollars on st thomas and john and 2.7 million dollars on st croix i would indicate at this point that we continue to make good progress in terms of gearing up for the restart of the program including configuration of staffing most importantly so that we can meet that important deadline regarding operations there are no issues on st croix in terms of the office complex on st thomas there are a number of routine ongoing matters the one major project that we do have at the office complex here in st thomas is the installation of the new uh main ger's main generator a lot of progress has been made with the with the housing for that generator as you probably saw when you drove in today and uh but it's moving forward very well um there at haven site mall uh aside from the hotel development there isn't anything really of note uh with regards to haven site mall i would indicate that warehouse j did receive its occupancy permit so that's a major accomplishment and we were able to get the whopper meter installed as a result of that excuse me all right um the hotel development i think as everyone could note it's proceeding

0:16:37 um very well a lot of the work has been in the ground in terms of infrastructure and the plumbing and electrical infrastructure which is significantly in shortly you should begin to see the property rise vertically right now most of the work has been in the ground but that is proceeding quite well as also. We have a Haven site mall waterline replacement and rehabilitation which is ongoing and was very much needed so that would cover Haven site. I don't know Ms. Clinton-Incums is there anything you would like to add regarding Haven site or we've covered it? Okay leases we are with regards to the Casino Control Commission we're reviewing the updated changes well the Commission is reviewing updated changes from us and we'll be hearing back from them Department of Justice property and procurement is still awaiting fiscal information so that we can process the additional purchase orders required to execute their lease and the Virgin Islands Police Department we are in the process of finalizing their lease for a portion of the second floor and the former first bank location on the first VI location on the ground floor in terms of rearages and this is reflecting January 2024 collections the Department of Justice presently has a rental a rare age unless there have been any recent updates and sometimes these things change on a day-to-day basis okay so

0:18:33 their rare age is thirty one thousand eight hundred forty three dollars for rent and twenty nine thousand seven eighty two for electrical and a lot of that has to do of course with the with their allotments and the release of those allotments based on the government's cash flow division of personnel we have director Richardson on so we don't intend to to put you out there but there is an arrearage for electrical of thirty three thousand two hundred fifty nine dollars and thirty seven cents which you may comment on if you would like or not we have a small arrearage from a private tenant here for 224 dollars and 92 cents excuse me sir um trustee like a mutual device hello yeah mutual device okay thank you uh we have some small well modest uh rental rearages for one of our private tenants on st croix uh totaling uh quick eyeballing about thirteen thousand dollars I think that's fairly unusual for them so hopefully we can get that rectified shortly but we do have a way of escalating when tenants become unduly delinquent so we'll definitely keep an eye out on this one. There's a small I guess you could say semi-public entity in the building Equus Workforce Solution About $700 in electrical arrearage, very modest, and the casino commission is completely current. So right now the arrearage for rent is about $45,000, and for electrical, $64,000.

0:20:36 And the bulk of that is comprised of the Department of Justice and the Division of Personnel. I believe Ms. Director Richardson has a hand raised. oh she does hi good morning everyone um i just wanted to just comment on the arrearages um division of personnel has um imported and processed everything internally we're really um as um as mentioned we are just really waiting on the division of department of finance to make those payments um in the next check run hopefully um i have reached out to the commissioner and asked him to try to give us some preference when they look at those critical payment lists for you to get those payments so as you can see from last meeting we were in a rearrange from the rent perspective and those were processed so i'm hoping that the electrical will follow suit january and february rent have already been processed internally and are awaiting payment at finance at this time well thank you director richardson we appreciate the update and just as we suspected we know that you and your team are very diligent with processing your payments so thank you um in terms of collections year to date we've collected approximately three hundred and eighty six thousand dollars um in rent and 133 000 in electrical uh billings so mr chairman that concludes the administrator's report unless any questions any questions for the administrator Okay, hearing on, uh, committee reports, um, let me start the policy committee in the absence, uh, chaired by Trustee Bowery, who's absent. They met, um, February 7th to consider some proposed change, a proposed amendment to the, to our, um, disability or medical review policy. um that matter was table for pending further um legal research any other committees subcommittees i'm just a chain regard so they get up you have any update on the illegal um matter um that we have requested that you just mentioned any updates you got today the the legal research that was to be done on the proposal amendment yes we did uh take a look and i had a discussion let's speak up with it we did and i had a

0:23:22 discussion with um the board's council the board's council was still not in favor of the first proposed amendment i have drafted a second proposed amendment and the the and the coo are currently reviewing that and that should be submitted to the board's council uh probably the end of this week or beginning of next week and the ceo and yes i'm sorry and the ceo and the ceo thanks i apologize yes thank you trustee dorsey present are you going to give the report for the development committee i can um the development committee met yesterday with mr mark biggs from the edc economic development commission wayne wayne biggs i'm sorry wayne big sorry sorry wayne biggs um i'll just read here what was sent out by the chair i did a little synopsis said he sent it to all the members so development committee of the grs met yesterday at 5 30.

0:24:42 Board member, myself, Chairman Russell, we're present with Mr. Wayne Biggs, CEO of the Economic Development Authority, provided information to the committee. He offers suggestions and ideas regarding our interest in developing our vacant land on St. Croix, St. Thomas to benefit our members, the system overall and the entire Virgin Islands community. Mr. Biggs arranged for the committee to speak with developers at our next meeting. The meeting lasted for about 45 minutes and we thank Mr. Wayne Biggs for attending the meeting. So that was basically it on that issue um the only comment i had was i did have some legal questions um we so we didn't have our board council there i'm not sure if he was notified uh by this year and i also had some questions for uh the ceo of the system i'm not sure if he was notified so that was basically it at that point um i guess we'll find out in the future how that goes thank you and for the record no he was not notified neither was i all right any other committees treasurer's report good morning board chair other trustees this is the schedule of disbursement said they weren't notified so dorsey dorsey trusty dorsey yes mutual device please yeah this is the schedule of receipts and disbursement for the month ending january 31st 2024

0:26:51 Receipts from collections. We have loan repayment, $361,750. Year-to-date, $1,643,893. Employer contributions, $5,444,453. Year-to-date, $26,771,039. employee contributions we had 3 million year to date 15 million two hundred and two thousand nine hundred and fifty two dollars um miscellaneous we had 43 000 year to date 744 724 for total collection for the month of january of nine million forty one thousand six hundred and forty year to date one hundred and sixty eight million five hundred and seventy thousand one hundred and thirty five this first month we have annuity payments twenty two million seven hundred and twenty thousand one hundred and sixty six year to date ninety thousand seven hundred and fifteen ninety million i'm sorry seven hundred and fifteen thousand four hundred and seventy eight administrative expenses one million three hundred three hundred and sixty one thousand five hundred and thirty year to date five million thirty five thousand three hundred and thirty one refund of contributions for the month of january nine hundred 4,588,787. Total disbursement for the month, 25,013,104. Disbursement for the year-to-date is one hundred i'm sorry one hundred million three hundred and ninety six thousand three hundred and fifty eight we had a net cash deficit of fifteen million nine hundred and seventy one thousand four hundred and sixty four for the month of january and a net cash surplus of sixty eight million one hundred and seventy three thousand seven hundred and seventy eight year to eight For the Havenside Mall.

0:29:30 Receipts from collections. have rents um collected for january of 456 112 year to date 1 million 720 649 we had a total collections of 492 811 for the month of january year to date 1 million 812 504 we had disbursement totaling three hundred and sixty two thousand one hundred and forty eight year to date one million seven hundred and fifty two thousand seven hundred and ninety one net cash surplus for the month of january was one hundred and thirty thousand six hundred and sixty three dollars year to date fifty nine thousand seven hundred and twelve that ends the reading out the schedule of this person vote here thank you mr jeremiah any questions and just a note once again mr jeremiah this is on a cash basis correct this is a cash flow statement all right can i get a motion to accept the treasurer's report so moved second moved by trustee dorsey seconded by trustee smith however will pop please move i'm sorry moved by trustee dorsey yes seconded by Nellon Bowery absent excused Andre T Dorsey yes trustee Dorsey yes Vincent G Liger yes trustee Liger yes Ronald E Russell absent excused Leona E Smith yes trustee Smith yes Dwayne A. Colwood? Yes. Trustee Colwood, yes. Mr. Chairman, for yes, two absent, excuse.

0:31:33 Thank you. Next up, the Investment Officers Report. yeah i'm sorry mr chair i'm just trying to get this together i just want to tell you Okay. Morning, Mr. Chair, other trustees. This is the investment report as of the end of January 31st, 2024. Just a summary of the month. Stock markets were mixed for the month of January. U.S. equities advanced by supported corporate earnings and data that may suggest soft landing for the economy the eurozone shares also posted again for the month emerging markets declined for the month as china continued to be the main drag on performance with concerns about the federal federal reserve keeping the rates higher for longer and signs of economic strength in the u.s market uh what that did that did that translate to to our performance our total plan returned 0.6% for the month. Fiscal year to date, we've had a strong fiscal year so far.

0:32:57 We're up about 9.2%. Our total domestic equity returned 1.2%. Our international equity overall portfolio was down negative 1.2% with our developed market equity returning 0.5% and emerging markets was down 4.7%. Total domestic fixed income was up 0.1%. Investment grade bands was slightly down 0.2%. Tips was up 0.4% and our high yield portfolio was basically flat. Total alternatives up about 2.1%. As it relates to asset growth and cash flow, we ended the month at approximately 529.8 million in the portfolio. So we began with a beginning market value of about 546.7 million. We had a net cash flow of 20 million withdrawn out of the portfolio to pay benefits. We had income of about $266,000. We had a gain, an unrealized gain of about $2.9 million in the portfolio that brought us to the ending market value of $529.8 million at the end of January 31st. Fiscally at the date, we began at about $413.5 million. Net cash flow so far, $68.9 million and that includes the um from the note that we received uh income 442 000 net gain i mean gain the portfolio unrealized gain the portfolio of 46.9 million that brought us to that 529.8 million at the end of january 31st um 2024. uh for the month of january we did have to raise 20

0:34:51 million to replenish the our cash account uh we did all 16 million from our russell 3000 index fund we pulled another 4 million from our msci ifa index fund uh to cover that um cash shortfall uh it relates to investment management custodian and consultant fees month to date we paid 55 000 which was for investment consultant fees uh year to date similar since we're just beginning the calendar year. Fiscal year to date, we've paid about 158,000 in fees. Securities lending month to date, we've collected about $3,400, which was reinvested into the respective funds. Fiscal year to date, we've made about $11,290,000 in securities lending activity. As it pertains to allocation and market values, a reminder that this is based on assets excluding the member loans on the St. Thomas and St. Croix office complex. On the domestic equity side, about $205.4 million. On the international equity side, 92.4 million and the domestic fixed income side about 143.2 million alternative assets 67.9 million and at the end of um january of um 20 about 21 million dollars uh mr chair trustees that concludes my report um any questions i'd be happy to answer any questions for mr henderson Can I have a motion to accept the investment officer's report? So moved.

0:36:46 Moved by Chosie Smith, seconded by Chosie Dorsey. Coverable card, please. Yes. Nellen L. Bari, absent. Andre T. Dorsey. Yes. Trustee Dorsey, yes. Vincent J. Liger. Yes. Trustee Liger, yes. Ronald E. Russell, absent. Leona E. Smith, yes. Trustee Smith, yes. Dwayne A. Colwood, yes. Trustee Colwood, yes. Mr. Chairman, four yay, two absent. Thank you. motion chair i would like to make a motion to go into executive session and this meeting will be closed to the public for matters pertaining to trade secrets financial or commercial information or personal or legal matters or matters whose premature disclosure will frustrate the implementation of the proposed agency action Second.

0:37:50 Moved by Chosie Smith, separated by Chosie Dorsey. Yes. Nellon Elbari, absent. Andre T. Dorsey? Yes. Chosie Dorsey, yes. Vincent G. Liger? Yes. Chosie Liger, yes. Ronald E. Russell, absent. Leona E. Smith? Yes. Trustee Smith, yes. Dwayne A. Caldwell? Yes. Trustee Caldwell, yes. Mr. Chairman, 4EA, 2 absent. Okay. We'll be set for five minutes while we...

0:38:31 I was going to ask your question to Karen. Do you want me to stay for the first issue? we're back in regular session executive session the board discuss some um recommendations from the from our medical review committee as well as um a personnel matter have a motion to adjourn second motion to adjourn second move by dorsey seconded by chelsea smith all right chelsea dorsey yes chelsea lager yeah chelsea smith yes chairman forward yes chairman four years all right motion accepted let's meet in the john thank you very much ladies and gentlemen okay thank you i'd have a good day thank you mr legger thank you

People named in this transcript

SUSPECTED, and a finding aid only. Names were matched by machine against the spellings used across all 426 of our transcripts, and the title is the one used in the room. Being named here is NOT evidence that a person attended or spoke · only that the name was said. Speech recognition mishears names, so a spelling may be wrong even where no alternative is offered.

4x **Trustee Vincent Liger**
heard in this transcript as: Liger

3x **Trustee Andre Dorsey**

heard in this transcript as: Dorsey

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

2x **Senator Carla Joseph**
heard in this transcript as: Carla Joseph's