GERS BOT's General Board Meeting 3/26/26

GERS Retirement System (Board of Trustees)

March 26, 2026 · 0.5 hours · gov

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0:00:00 all right good morning everyone the government employees retirement system of the board of trustees for thursday march 26 2026 is there a call to order yes Uh, Tammy Clark, present. Trustee Clark, present. Andre T. Dorsey. Present. Trustee Dorsey, present.

0:00:55 Vincent G. Liger. Trustee Liger, absent. Ex-officio member, Cindy Richardson. Emperor Richardson, absent. Ronald E. Russell. trustee russell absent leona e smith present russie smith present present trustee callwood presence mr chairman board present to exit thank you um can i have a motion to move the chairman's report and the minister's report so after okay okay you know you have to make your motion thank you um trustee clark yes i see dorsey i i didn't hear what the motion was sorry the motion was to move the chairman's report on that ministry because before to be on the agenda for the chairman's report and administrator's report after executive session you're moving their reports after the executive session you say yes i'll see diversity yes i'll see later Trustee Liger absent Trustee Russell Trustee Russell absent Trustee Smith yes Trustee Howard yes Trustee Howard yes Mr. Chairman for two absent all right thank you uh any comments and suggestions from retirees

0:03:22 Good morning. Good morning. This is Mary Moirhead. You hear me? Yes, I want to hear. Thank you. Good morning to the members of the Board of Trustees. This is Mary Moirhead. I am coming with really a repeat request that was made years ago to ask your, or I think it's the development committee to do a study, a survey concerning the use of your property on the east end of St. Croix for a housing project. It's repeatedly in every division that is concerned or related now as to the shortage of, well, affordable housing on the island.

0:04:14 And I do think that the acreage that you have, that the GERs possess up on the East End would be a consideration for, you know, some appropriate townhouses, one unit, whatever, that, and that is what I'm asking the committee of jurisdiction for the board, that they'd be allowed to do a study to see if that is possible through the board, either under full jurisdiction or maybe in some kind of a private part, some type of a partnership. So I'm asking for that consideration to be done.

0:04:53 And then secondly, I'm also asking if the board would reconsider because I'm thinking to make the request again to the legislature a concern in a cost-saving situation that the retiree suggested some time ago that's similar to the social security policy that when someone is incarcerated that the pension is put on pause it did it was drafted previously but really was not to our distinction specifically because instead of putting a suggestion or having the language for it to be on pause, the senator put the language that it would be permanently canceled. And that was not our wish because once someone's incarceration is fulfilled, we definitely agree that the pension should be reinstated so i um would like to ask if because if the uh board was to decide that they are still of the same position uh well you know i would not necessarily want to put the recommendation again to the legislature and in sense uh waste time because they do uh listen to your opinions Thanks.

0:06:23 Sorry. That's for that time. Thank you. Okay. I didn't mean to cut you out. Okay. So, both suggestions would be duly noted and will be addressed. Are there any comments or suggestions from any other utilities? Thank you, Ms. Mohit, for our being active and focused. Thank you, and I would expect that your ED will give me some kind of response down the road when things are discussed. Thank you. Are there any comments and suggestions from active members? okay uh that's up secretary's minutes are there any edits or corrections to be made to the secretary's minutes from the regular board meeting of february 26 2026 bearing on another motion to accept secretary's minutes from the february 26 2026 meeting so second moved by trustee clark seconded by trustee smith yes trustee clark yes trustee clark yes trustee dorsey yes trustee dorsey yes trustee labor let's see later absent trustee russell i see russell absent trustee smith yes trustee smith yes trustee yes let's see forward yes mr chairman four ea two absent thank you very much i need any communication and corresponding system i know mr chairman I'll go next up uh committee reports are there any I'm gonna keep the boards and it shouldn't be in short okay treasurer's report This is the GRS, which I directed the work for the month of February 2026. You see in some directions, you have loan payments of 566,827.

0:09:12 Year-to-date, 3,028,922. You have employee retirement constitution, employer firms of 8,381,044. year-to-date $37,097,621, employee retirement contributions $4,604,524, year-to-date $20,074,165. We have miscellaneous of $72,186, year-to-date $1.8 million for total collection. For the month of February of $13,680,721 year to date, collection $122,351,288. We have disbursements, we have annuity payments of $23,050,272 year to date, $117,673,606. we have administrative expenses of 1 million 185 thousand 427. year to date 8 million 973 thousand 800 we have refund of contributions of 1 million 186 thousand eight hundred and eighty seven dollars year to date 1 million 971 thousand four hundred For total disbursements of $25,423,743 for the month of February, year-to-date $121,688,374. We have a net cash deficit in February with $11,753,022. and a net cash deficit for the year to be of $9,337,886. And we have been drawing from the portfolio of us for $80 million.

0:11:28 For the Haywood Site Mall, we collected a total for the month of February of $501,668, year-to-date 3,027,491 and we disperse a total of 349,884 year-to-date 2,221,075 and in the month of february we had a net cash of 151,784. Year-to-date, 806,416. And the year-to-date is at more expenses, or it is personal to a 20% of budget. That's the end of the interview. Thank you very much, Ali. Any questions with the CFO regarding the i think excellent cost control that payment sites we are almost halfway through the fiscal year to be at 28 of the budget expenditures is uh says a lot and we're also doing well on top line of revenue as an agent site compared to prior years so good work all around at the agent site i would take this opportunity to highlight uh the early warning signs of what we have advised the legislature with regards to um various situations including the removal of the three percent employer contribution and the reduction and the structural contribution from the funding note as well as the less than anticipated election from the funding note as a result of this from consumption that between this point last fiscal year and this point this fiscal year

0:13:37 we've seen a swing in our cash uh position on 43 44 million dollars uh because last year at this point we had a surplus of 34 million this year we have a deficit of nine so this is an early morning sign of exactly what we predicted to the legislature and will be revisited at every opportunity thank you have a motion that's updated treasurer's report so second moved by trustee clark seconded by trustee smith yes trustee clark yes trustee dorsey yes trustee dorsey yes trustee leiger yes trustee leiger yes trustee russell russell absent trustee smith yes trustee smith yes trustee callwood Yes, Mr. Chairman, 5A1. Thank you.

0:14:51 Next up, we have the investment officer's report. Good morning, Mr. Chairman, other trustees. This is an update of the investment portfolio as of February 28, 2026. We saw global equities advance again in February, with markets outside of the U.S. showing stronger performance than their American counterparts. Government bans were generally positive, showed positive results and overall outperformed corporate bans. Our total plan we returned was up 1.2% month to date. Fiscal year to date the plan is up about 5.1%. Total domestic equities was down slightly, 0.4% month to date, but it's up 3.8% fiscally at the date. Our Russell 1000 index fund declined 0.4% for the month. The slight decline in a turbulent month showed shift in market leadership and increased caution. Investors moved away from companies tied to long-term trends like digital transformation and AI, redirecting capital to forms with steadier and more immediate returns as confidence waned. Sector performance also showed a comparable trend as utilities, materials, consumer staples were among the best performers due to the steady demand and resilience during economic slowdowns.

0:16:27 On the other hand, consumer discretionary, communication services and information technology underperformed for the month. The Russell 2000 index was up 0.8% for the month as it extended its recent run of relative strength versus large cap benchmarks. Our total international equity returned 4.8% for the month to date and is up 16.4% fiscal year to date as international markets continued to outperform its U.S. counterpart for the respective periods. Developed market equity was up 4.6 percent. Emerging market was up 5.3 percent for the month.

0:17:13 While major U.S. indices saw their weakest month since last March, international stocks continued strong gains. European markets reached record highs due to positive earnings and buybacks, while Asian tech stocks focused on semiconductors and AI infrastructure rose sharply on strong demand, unlike their pressured U.S. counterparts. Total fixed income was up 1.1% month-to-date, and is up 2.3% fiscal year-to-date, as government bonds delivered strong returns in February, as youth declined across major markets supported by an apparent flight to safety amid volatile geopolitical headlines, including heightened tensions between the U.S. and Iran. As everyone knows, the U.S. and Israel and Iran began a war that started exactly on February 28th. rate. Investment-grade bonds returned 1.6%, U.S. tips returned 1.3%, and higher bonds returned 0.1% for the month. As it relates to asset growth, we ended the month approximately at $500.5 million in the portfolio. We had a beginning market value of about $514.6 million, We had a net cash flow of about $20 million, an income of about $13,000, we had an unrealized appreciation in the portfolio of about $5.9 million, that brought us to the ending market value of $500.5 million. A fiscal year to date, we began at $495, roughly.

0:19:07 cash flow for the fiscal year about 20 20.4 million uh income of about 347 thousand dollars uh unrealized appreciation fiscal year to date of about 20 25.4 million um again bringing us back to that ending market value of um 500.5 million dollars uh yes sir okay so when you reported the Okay. Understandable. We did have to raise $20 million in the month of February for benefits. We did pull $6.5 million from our developed market portfolio. We pulled $5 million from our emerging markets portfolio, 4.5 million from our Russell 1000 index portfolio, 2 million from our Russell 2000 index portfolio and 2 million from our US aggregated bond index portfolio to make up that 20 million that we had to withdraw. As it relates to investment management, custodian and consultant fees, we paid about $46,000 calendar month to date, $30,000 to investment management, $16,000 to the custodian bank, and fiscal year today we paid about $216,000 to date with a breakdown of $126,000 to investment consultant, $58,000 to investment management, and about $32,000 to custodian bank fees. Again, as it relates to the allocation, we ended the month about $157.8 million in domestic equities, about $71.3 million in developed market equity, about $22.6 million in emerging market equity, about $93.7 million allocated to investment-grade bonds.

0:21:13 tips we had about 47.9 million allocated. High yield bonds about 47 million. Real estate and of course this is real estate excluding our office complexes. Our 54.6 million. Private equity which which is our two legacy and private equity funds, about 4.9 million, and we have about $500,000 in cash in the portfolio at the end of the month. Mr. Chairman, Trustee, that concludes my report.

0:21:52 Thank you, Mr. Anderson. Any questions for the investment officer? I have no question but a comment. Mr. Anderson can leave up this screen that we have on this slide that we have on. This is another one of those cases where we have our early warning signs. There's a lot of information on the standards and shared, and we will see fluctuations in market values on a daily, weekly, monthly, and annual basis. However, this bar chart should be of concern to everyone. We can see that our asset value over time at a precipitous decline between 2017 and 2022 going from an excess of 700 million dollars to a little over 300 million dollars in 2022.

0:22:41 beginning in 2023 due to the funding note as well as to excellent market performance we saw a trend in 2023 and 2024 upward in 2025 we had a tick down and one year does not car does not represent the trend however this is the second year now that we've seen a decrease in our market values given the structural decrease in the funding load as well as the reduced expected collection from the cub rover due to reuse from consumption this is why we requested and made a case with regards to the need for the increase of three percent in the employer contribution based upon the reports from our actuaries that would have been a significant factor in helping to address uh the decline in our values this is something that we assume we're in very close focus a motion to accept the investment officers report so moved second right trustee clark seconded by trustee smith trustee Clark yes trustee Dorsey yes trustee Dorsey yes trustee Liger yes trustee Liger yes trustee Russell you can take the uh you can stop sharing the sentence and trustee Liger trustee russell absent trustee smith yes trustee smith yes trustee callwood yes trustee callwood yes mr chairman five-year-old absent thank you very much next up we have no business authorization the challenge for the limited active loan program you want us to do that

0:24:48 that's when uh yes mr chairman so uh as you and the board are aware back in 2024 after a long uh absence we had a limited restart of the active loan program that i'm sorry Yes, we had a limited restart of the active loan program or in the amount of $20 million, and that has worked very well.

0:25:34 well the portfolio that i give him the administrator's report will show that currently we have 2446 loans of which 1809 are active personal loans and they have performed very well at an interest rate of eight percent uh at the point that the active loan program was we started in 2024 it was a bit of a sacrifice but it was a good program in the sense that our portfolio was earning in excess of eight percent however the inner wisdom of the board they thought it would be a good program to offer to our active employees uh it has performed well there's been a model any here you can see uh and at this point actually eight percent is uh making an attractive return compared to the financial markets so um in terms of good financial um stewardship as well as being able to offer a program that is well appreciated by our active employees uh the proposal is before you today to uh authorize the second trench of the active loan program in the amount of 20 million dollars um with 10 million dollars designated uh per district We have some detail before you in terms of how the program would work and the timings. I don't know that I need to read the entire thing, but I would ask for this, this proposal to be given due consideration and approved by the board.

0:27:14 any questions regarding the proposal that's the course yes chair i just had a question does this need to go to a committee or are we just going to vote it outright at this meeting it's on the agenda i didn't hear you can you speak up it is before the entire board at this time i understand that i was just asking is this something that should go to committee or no no okay fine that's fine thank you any other questions i have a motion to authorize the the new trunks of the limited active program i move to authorize a new charge of grs active personal loan program subject to a few conditions which we will need to go through to go through all the information chair yes sir um was there any literature related to this second tranche sent out it's in your board package i did not get it but that's fine you know the amendment everybody yes

0:28:58 uh let me just ask the ceo this is just similar to the first tranche we did yes trustee dorsey all right thank you you're welcome yes trustee part yes trustee part yes trustee dorsey yes trustee dorsey yes trustee leigard yes trustee leigard yes trustee russell i'll see you also absent that's lee smith yes first yes trustee follow this let's see how one yes mr chairman five day one absent can i have a motion to win the executive session its portion of the meeting will be closed to the public for matters pertaining to trade secrets or financial or commercial information or personal or legal matters on matters whose premature disclosure will frustrate the implementation of the proposed agency action so second moved by trustee clark seconded by trustee smith welcome trustee clark yes trustee nursing yes university yes trustee leiger yes trustee leiger yes trustee russell let's see russell absence assessment yes assistant yes trustee yes one information chair before you break um did you did the ceo um mention who the employees of of the year were yes yes we have an agenda let's see it up for privileges of the floor we said for two minutes

0:31:03 oh boy 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.

3x **Trustee Ronald Russell**
heard in this transcript as: Russell

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

2x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

2x **Trustee Leona E. Smith**
heard in this transcript as: Smith