

December 12, 2024

Committee on Rules and Judiciary

Testimony from Tahmin Clarke on Nomination for the GERS Board

Good morning to all distinguished guests in attendance both in person and virtually, including members of the Rules and Judiciary Committee and other members of the 35th Legislature. A special thank you to the Chair, the Honorable Senate Diane Capeheart, who is leading this session and has been an invaluable resource in preparation for this hearing.

It is an honor to be nominated for this critical role and I would like to thank my sponsor and the current administration for bestowing this great privilege upon me.

As way of background, I was born and raised in the Virgin Islands, and I spent all of my formative years growing up in St. Thomas. To evidence that notion, I frequently frolicked Coki Point and Magens Bay, annually attended the summer Police Athletic League (PAL) Camp in Pearsen Garden and spent my Fridays listening to Jam Band in the Parking Lot. I say all this to not only highlight that I am an old man now, but also to emphasize that I am a product of this community, and I am thoroughly invested in the success of the Virgin Islands.

Both my mother and maternal grandmother were governmental employees and as retirees, they benefited from the GERS pension system. They are two of the most influential people in my life and their emotional and financial support pushed me to receive an education which enabled me to be successful in life. I previously mentioned my age to set up the notion that hopefully with age comes maturity and wisdom and as I have reflected on my life, I decided to take stock of my contributions to society. As a part of that introspection process, I realized that I could do more, and specifically do more to continue to drive progress in the communities that helped raise me.

As I thought about specific ways that I could help, especially in an era of unprecedented nepotism and cronyism, I believed the most effective way to have a material impact is by leveraging learnings, skills, and experiences that I honed over my lifetime. This is the reason why the nomination to be on this specific board is exciting. The mission of the GERS intersects both my desire to give back as well as my broad expertise in Finance, but also explicit accomplishments in the area of portfolio management. I have spent the better part of 25 years working with the investment community (Wall Street) in various capacities including Equity Research, Investment Banking, and Investor Relations.

Equally important, I have run Corporate Communications and Public Relations teams. Navigating governmental departments with competing missions requires collaborative

communications to ensure that everyone understands we are rowing in the same direction. I believe impactful Strategic Communications can be as significant as generating 30%+ returns on the equity portfolio as the GERS was able to accomplish last year. How would the broader Virgin Islands Community even appreciate the outperformance of the S&P 500 if there wasn't an effective plan to communicate these outstanding results.

If confirmed, I would bring all of these skills to the GERS board in partnership with the Chairman of the Board, Mr. Dwayne Callwood and the CEO and Administrator of GERS Mr. Angel Dawson. In my first 90 days, my goal is to dig deep and understand the operations of GERS; Develop and foster relationships internally and externally and observe processes and controls that are currently in place. Subsequent to that period I will become more active in making recommendations and sharing ideas with a focus on the following areas:

1. Ensuring rigorous internal processes with oversight – For example this could limit unpaid contributions by governmental agencies and ensure government employees have contributions to pension being taken out immediately.
2. Incorporating a continuous improvement mindset – For example, going forward I would recommend putting in place rigorous ROI requirements for alternative investment projects outside of traditional securities (owning real estate). Higher risk profile requires higher returns to receive investment.
3. Balance the needs of the organization versus the needs of the individual retiree – For example GERS should manage/limit the process around loans for retirees because there is an opportunity cost of investment being lost to these loans. Is affordable home ownership a mandate of GERS?
4. Incessant focus on communication internally and externally – For example consistent communications to the Governor's office and legislature about the law that enables GERS to raise the government contribution percentage and GERS' intent do so with stated rationale, would reduce any "surprise" around that mandate
5. Uncompromising ethics and values including sharing hard truths – For example Even withstanding the heralded success of saving the GERS which both the GVI and the Legislature have undertaken heroic efforts to do, there is still a funding shortfall that will need to be addressed and both sides (GERS and GVI/Legislature) need to find ways to compromise to fill this gap.

I am ready to get involved and with humility I offer my candidacy to fill this seat on the GERS Board because while I don't have all the answers, I endeavor to be a major part of the solution. I thank you for your time and consideration and appreciate your support.

Tahmin Clarke