Communication from Public

Name: Mark Blunk
Date Submitted: 11/21/2020 12:23 PM
Council File No: 19-1577
Comments for Public Posting: The funding of public pensions relies upon a fiduciary responsibility to the plan members, sponsor, and beneficiaries. These systems are designed to fund based off assumptions that plan managers will earn the maximum rates of returns available in a free investment marketplace. When the plan earns less, it Increases the pension debts for the City and takes needed funding from other programs to cover lost opportunities to earn more. This is aside from the concern that almost all business activities result in more greenhouse emissions. Are you prepared to cut other City services to pay increasing and compounding pension debts by divesting from all businesses generating CO2? Then you might need to divest all restaurant business investments, as they too drive more CO2 via ovens, people driving to the restaurant, lighting from electricity generating greenhouse emitting processes, etc. Please reconsider a possible slippery slope whereby increased liabilities will accrue for the plan and result in larger City Contributions increased to cover hamstrung investment performance. Remember pension plans compete for solid investment opportunities and flexibility is key to responding to changes in the investment marketplace. All else being equal, unless all investment managers divest, then the impact is greater earnings for other pension plans, with the City taxpayers paying the price to cover additional possible shortfalls resulting from divesting in a sector where we have considerable stockholder advantages. I suggest we exercise any social messages through keeping the investments and instead trying to work via our proxy voting rights to influence positive change that leads to greater performance and profitability simultaneously.