

Testimony on Divestment of Public Pension Funds from Fossil Fuel Holdings
Tim Rogers, Mayor
Village of New Paltz

My name is Tim Rogers. I'm with Elected Officials to Protect New York. I have served as mayor of the Village of New Paltz for the last four years. I previously worked in investment management after graduating from NYU with an MBA in finance. Today, a portion of my paycheck and my staff's paychecks get invested in the +\$200 billion pension fund administered by the Comptroller's office. Comptroller DiNapoli has an enormous fiduciary responsibility to care of our retirement savings.

In 2017, a group of us from Elected Officials to Protect New York, including now Senator Jen Metzger, visited the Comptroller's office to discuss fossil fuel divestment. The Fund's investment staff were transparent, generous with their time, and encouraged us to keep pushing them on this issue.

It was explained that "shareholder engagement" and "strategic divestment" were their preferred tools instead of a more deliberate approach to fossil fuel divestment. I left that meeting feeling heard and reasonably satisfied with the conversation.

But news from earlier this month about the Securities and Exchange Commission (SEC) siding with ExxonMobil -- instead of our Fund -- felt discouraging. Exxon objected to our Fund wanting to set greenhouse gas targets to align with the Paris climate agreement. I'm worried that "shareholder engagement" might not be the effective tool we were hoping.

I commend Governor Cuomo and Comptroller DiNapoli for creating the advisory panel last year tasked with taking a closer look at climate impacts and our pension fund. The panel's report with recommendations was recently issued. I implore you to review its recommendations but also its contrasting conclusions summarized in the appendices.

In Appendix A, Mr. Longstreth, a former SEC commissioner appointed by President Reagan, makes compelling arguments supporting divestment. Appendix B includes Mr. Smith, an expert on shareholder engagement, suggesting we hold the "shareholder engagement" line. The complete report was excellently prepared but I think it is especially important to compare these two voices.

I believe we can no longer afford the luxury of trying to gently persuade fossil fuel companies. Mr. Longstreth made a particularly powerful point when he said the risk of our Fund divesting too early is far less than the risk of being too late.

Betting that we can time how long fossil fuels will be "the bridge" to renewables and electric vehicles should feel naive to anyone who has tried to predict macro trends in financial markets. How many investors timed the tech and internet stock sell off in 2000 or 2008's global credit crisis? Investment markets are capricious.

It is prudent to believe we'll continue to witness renewable energy innovation while our dependence on fossil fuels wanes. But believing we'll be able to pinpoint timing and how financial markets will react to these inevitable paradigm shifts is misguided.

Please, NYS Senate, we need you to be bold and protect our retirement assets during these uncertain times while climate change is clearly staring us down.

Thank you for your time.