



Monday, May 3, 2021

## Citizens Union 2021 Candidate Questionnaire - Comptroller

Dear Candidate,

Congratulations on your decision to run to be the next New York City Comptroller! Citizens Union appreciates your commitment to serve the public.

In the following pages, you will find open-ended questions regarding your positions on various reform issues and your plans for office. The form includes sections on the public pension funds, the comptroller's auditing powers, budget, fiscal oversight and the economy, and the comptroller's role and work realtions.

Responses to these questions will be one of several factors Citizens Union uses to evaluate candidates running for city offices, and to issue our preference for the June primary. Read more about the method, principles, and criteria of the candidate evalatuion process [here](#).

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**If you wish to be considered, please submit the questionnaire by April 17 and no later than 48 before your interview.**

If you seek our support, we will also need to schedule an interview with you as part of the evaluation process.

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If you cannot complete the questionnaire in one sitting, you can click Save and Continue Later at the bottom of every page.

Once you submit the questionnaire, you will receive a confirmation email with a PDF file containing your responses. Citizens Union will not be able to see your answers unless you submit the form. We plan to make responses to this questionnaire public on our website, printed voters directory, and other appropriate venues (your contact information will not be published).

For any questions, please email [candidates@citizensunion.org](mailto:candidates@citizensunion.org)

We thank you very much for your response.

## GENERAL INFORMATION

### Your Info

#### Name

Reshma Patel

## Running in what primary

Democratic

## Age

## Education

Bachelor of Science, MIT

## Occupation/Employer

self-employed currently, past public finance, non-profit, data analytics

## Previous Offices, Campaigns and Community/Civic Involvement

Manhattan Community Board 6  
Environment & Parks Committee  
Vice-Chair, Budget Committee  
President, Eleanor Roosevelt Democratic Club  
Board Co-Chair, Chhaya Community Development Corporation (leave of absence)  
Sakhi for South Asian Women Swarna Fund  
Scholarship Committee  
Dance/NYC Board member  
League of Women Voters NYC (LWVNYC)  
NOW

## Website

[www.reshma2021.com](http://www.reshma2021.com)

## Twitter

@reshmapatelnyc

## Facebook

ReshmaPatelNYC

## Affirmations

**Have you completed the required campaign finance filings?**

Yes

**Have you qualified to receive matching campaign finance funds from the CFB?**

No

**Are you willing to be interviewed by Citizens Union's Local Candidates Committee?**

Yes

(Please note: interviews are prerequisites for Citizens Union's endorsements)

**Signature**



**PUBLIC PENSION FUNDS**

**1. How will you select managers to manage various parts of the pension plans?**

First, I would ask the investment team to screen manager databases to create a list of suitable managers that potentially meet our search criteria. Then we would issue a Request for Qualifications (RFQ). I would recommend that the investment committee use consultants to help identify firms but I would want to make sure the selection process is led internally.

From the RFQs, our investment committee would select firms to interview to learn about their investment philosophy, investment process, business model, and team.

I would require that the Bureau of Asset Management have an internal document setting out our investment strategy and the key attributes for a manager, including things such as the business model, appropriate fee structures, performance, long-term mindset, low portfolio turnover, good risk management, decision-making processes that embed ESG, and a diverse team.

I believe that fund performance will improve if we have greater diversity as different viewpoints help manage risk. I would ask that we not only engage with firms with diverse teams but give opportunities to emerging managers for each asset class in the pension fund.

**2. How would you work to reduce the appearance of or actual conflicts of interest that can arise from investment firms seeking pension business?**

I would make sure the Comptroller's office has a conflict of interest policy in place to help identify, manage or avoid conflicts for myself, trustees, the

investment committee, and other staff. The policy would outline approaches to investment managers' conflicts of interest and make sure the firms have their own conflicts of interest policy in place. The policy would specifically state that there can be no exchange of goods or services with a potential manager and an employee of the Comptroller's office.

### **3. What would you do as comptroller to improve pension investment returns? How would you limit or reduce costs associated with pension investment fees and consultants?**

To improve pension investment returns, I would look at further diversification of the portfolio to include cryptocurrencies, blockchain funds that have yielded good returns for two Virginia pension funds, and investing in venture capital which earned considerable returns for CalPERS last year. Both these could offset a decline in the S&P but we would have to invest gradually, in small amounts, and manage risk appropriately.

I would limit or reduce costs associated with pension investment fees by exploring alternative fee structures, along with hurdle rates and high water marks that ensure the pension fund is sufficiently compensated for the risks it takes as an investor in alternatives. Reduce investments with a fund of funds that have higher fees. I would adopt specific policies for acceptable fee limits and make it transparent and ask other public pension funds to share the same info so that we have an idea of market standards. I would also look to see if combining smaller funds such as BERS with TRS or Fire with Police, could result in lower fees.

### **4. Comptroller Stringer pushed pension funds to begin divesting from the fossil fuel industry. Do you agree with that approach, and how do you propose to balance the need to maximize investment returns with the pressure to meet broader social responsibility goals?**

I support the NYC pension funds divesting from the fossil fuel industry. It is the Comptroller's fiduciary responsibility under ERISA rules to maximize returns. However, I don't necessarily think this is in conflict with the broader goal of embed ESG in our pension investment decisions. ESG-oriented investment now tops \$30 trillion—up 68 percent since 2014.

The acceleration has been driven by heightened

social, governmental, and consumer attention on the broader impact of corporations, as well as by the investors and executives who realize that a strong ESG proposition can safeguard a company's long-term success. The overwhelming weight of accumulated research finds that companies that pay attention to environmental, social, and governance concerns do not experience a drag on value creation—in fact, quite the opposite. A 2019 McKinsey study found that "a strong ESG proposition correlates with higher equity returns, from both a tilt and momentum perspective. Better performance in ESG also corresponds with a reduction in downside risk, as evidenced, among other ways, by lower loan and credit default swap spreads and higher credit ratings."

**5. Is there anything else you would do to change how the pension funds are managed?**

## **AUDITING**

**6. How would you utilize the comptroller's auditing power to ensure government agencies and the contracts they engage in result in cost-effective quality delivery of services? What priorities will you have to audit city departments?**

I would undertake an impact-focused approach to City audits. I would ask that we collect qualitative and quantitative data on an ongoing basis and measure outcomes in addition to looking at whether or not the service was delivered effectively. My priority in audits would be to make sure each program is providing a public value, it is innovating and there is no overlap with another program.

**7. As part of your auditing responsibilities, what would your approach be to the NYC Board of Elections? How do you propose to increase its operations and accountability to the city and its voters?**

The problems with the Board of Elections are multifold and I have had to deal with them first hand. Because of my multiple roles as a leader in civic organizations, people often call me when they have an issue with voting. It ranges from broken machines, no ADA access, missing voting records,

lost mail in ballot requests, lost mail in ballots, the list is long. The NYTimes in an article last fall said "New York has clung to a century-old system of local election administration that is one of the last vestiges of pure patronage in government, a relic from the era of powerful political clubhouses and Tammany Hall." We need the way BOE Commissioners are appointed and how staff is hired to be changed by state election law to have the BOE be more efficient and accountable. The party bosses pick the commissioners and the executive director is really only accountable to them. Our City elected officials have limited say in the BOE. To truly improve it, we need reform at the state level. As Comptroller, I would audit for instances of broken machines, problems with absentee ballots, ADA compliance, lines at poll sites, language accessibility, and lack of response to voter complaints and push for reform in Albany.

**8. How would you create greater disclosure around city-affiliated nonprofits that are increasingly supplementing the work of city agencies?**

The City outsources some of its most critical work to non-profits. There needs to be transparency in 1) tracking of how City grants are being spent so that you don't have a situation like Bronx Parent Housing Network where funds were being doled to family and friends of an executive director who was also a predator and 2) tracking elected officials who may have affiliations to the non-profit and disclosure of any donors to the non-profit to make sure that they are not awarded contracts or curried favors as a result of their support of the non-profit. I would standardize disclosure for this while engaging with a non-profit service provider and on an on-going basis.

## **BUDGET, FISCAL OVERSIGHT, AND ECONOMY**

**9. How would you utilize the authority of the comptroller's office to ensure the fiscal health and integrity of city spending, especially in this moment of economic crisis?**

As the City's Chief Financial Officer, I would scrutinize the Mayor's budget. In particular, I would examine the assumptions for revenue projections and do sensitivities on them to make sure we have

prepared for the worst-case scenario given the current economic situation. I would also look at expenditure cuts and make sure that we have adequately thought through the impact of these cuts. In the the agency audits, I would look for places we can achieve savings to avoid cutting important social service programs. I would also be mindful of the City's unfunded pension liability and debt burden. It is important to remember that debt service is about \$7 billion of the NYC budget this coming fiscal year. In 1975, when NYC was on the brink of bankruptcy, it was because we were unable to pay debt service. We need to keep our eye on this.

**10. In FY 2021, New York City spent \$20.5 billion on pensions and fringe benefits for City employees out of a total net budget of \$88.2 billion. What would you do to address the growing pension and health care costs borne by the city and New York City tax payers?**

The NYC pension funds unfunded liability at about 78% is better than average across the country but could get worse if there is a downturn on Wall St. One way to alleviate the growing cost burden is to give employees the option of a defined contribution plan rather than the defined benefit plan currently in place. This would not only reduce future costs on the City but would also give employees more flexibility in terms of job mobility. More than the pension, the unfunded liability of OPEB is more concerning. It is the highest in the country. Much of this is related to health costs paid to retirees who are not eligible for Medicare. New York City pays a lot more than average for health care costs. While I believe it is important to provide the best health care possible to our City employees and retirees, we should try to negotiate better packages. We should also push the state to pass the New York Health Act to alleviate the pressure of increasing health care costs on the City and all employers in the NYS, especially small businesses.

**11. If elected, you will start your term as New York City (hopefully) begins to reopen its businesses, offices, and institutions. How will you utilize the comptroller's office to help rebuild the economic base of NYC?**

People choose to live in NYC because of the arts & culture, restaurants and unique small businesses. To rebuild our economic base I would support our

artists by using vacant spaces for art displays and pop up performances, provide performance venues with the resources needed to reopen, and make sure our restaurants and other independent small businesses have the resources needed to recover from the lost revenue of the last year. Most importantly, we can not rebuild our economic base unless we provide the support and resources needed for those most impacted by the pandemic, many of whom are service industry workers. Some jobs will not come back, I would invest in upskilling programs to fill jobs that are available and we need new job creation. We need to think about the economy of the future and I'd focus on attracting the those businesses to NYC.

## **MISCELLANEOUS**

### **12. Do you believe there needs to be improvements to the comptroller's role and practices? What changes would you make to the structure or functions of the office?**

The NYC Comptroller performs critical duties and offers valuable information in audits, reports, and on the office's website. However, very few New Yorkers ever use this information. In fact, many New Yorkers don't even know about the office. The Comptroller needs to be a more outward-facing office that NYC residents can view as a resource. I think the Comptroller's agency audits should be collecting data and measuring agency program impact on an ongoing basis rather than every four years. The agency audits also need to be looking across agencies for redundancies in services.

### **13. What experience have you had, if any, with good government and reform issues? (e.g. voting and elections, campaign finance, ethics, police accountability, government transparency and oversight). If you've worked to advance these goals, we'd love to hear about it.**

I have pushed for good government issues as a volunteer with the League of Women Voters of New York (LWVNYC), a Manhattan Community Board 6 member and board co-chair of Chhaya. I have lobbied for electoral reform at the state level, the passage of ranked-choice voting, and advocated for more police accountability, women's rights and immigrant rights. I have educated different community groups about these topics and lobby Albany with the LWVNYC and Chhaya, wrote



resolutions as a CB6 member, called elected officials, and protested as a concerned citizen. In addition, I believe our democracy only works if everyone participates and I have spent countless hours registering people to vote.

**14. What are the top three campaign promises or goals, and what action will you take to achieve them if elected? Feel free to reference an answer above rather than restate it.**

First: Fix the procurement process to increase accessibility for non-profits and small businesses

Second: Improve our agency audits such that we collect quantitative and qualitative data on an ongoing basis to really assess the impact of each program and garner more community input for projects

Third: Invest in MWBE small businesses and make financial services accessible to the unbanked in our City

**15. If you have not addressed this already, in what major ways would your priorities as comptroller differ from the incumbent?**

We have a lot of good policy proposals in New York City but we don't have the outcomes we should have from them.

Comptroller Stringer had similar priorities as the ones I layout above and moved forward on them. I believe we can do better especially with agency audits and contracting. We spend so much on services yet so many community needs are not being met, we need to be assessing the impact of our programs in a different way. We talk a lot about equity yet this past year laid bare the inequities and how certain communities have been under-served by our City government.

**16. In light of everything we have discussed above, why do you want to be mayor?**

I don't want to be Mayor, I want to be Comptroller. I want to be Comptroller because we've had too many people in this role who want to be Mayor. We need someone who has the skills to be Comptroller. For New York City's long-term financial health, we need a Comptroller who understands the problem of unfunded pension liability and the City's debt portfolio.

**Please feel free to attach any additional information such as resume, campaign brochures, or issues statements.**

Please review your answers by clicking PREVIEW ANSWERS below. You can submit the questionnaire at the bottom of the preview page by clicking SUBMIT.

Once you click SUBMIT, you will receive a confirmation email with a PDF file containing your responses. If you don't see the email, please check your spam box.

If you have any further questions, you may contact us at [candidates@citizensunion.org](mailto:candidates@citizensunion.org).