

NEW PALTZ VILLAGE BOARD

RESOLUTION REQUESTING THE NEW YORK STATE COMPTROLLER TO REVIEW ARES MANAGEMENT'S PORTFOLIO COMPANIES THROUGH THE LENS OF GOVERNOR CUOMO'S REFORMING THE ENERGY VISION (REV) PLAN

WHEREAS, the New York State and Local Retirement System (NYSLRS), a pension trust fund for the State managed assets valued at \$184.5 billion as of March 2015 on behalf of more than one million participants; and

WHEREAS, the New York State Comptroller is the administrative head of the Retirement System and “*as fiduciary, the Comptroller acts in the best interests of the System’s members and retirees*”; and

WHEREAS, NYSLRS contracts with various third-party investment firms including publicly traded, global asset manager, Ares Management headquartered in Los Angeles, CA; and

WHEREAS, as of March 31, 2015, NYSLRS entrusted Ares with nearly \$800 million to invest across various investment strategies on behalf of the pension fund’s participants; and

WHEREAS, for fiscal year ended March 31, 2015, NYSLRS paid Ares nearly \$9 million in management fees; and

WHEREAS, on January 1, 2015, Ares announced its acquisition of energy infrastructure asset manager Energy Investors Funds (EIF); and

WHEREAS, Ares declared “*The EIF transaction provides Ares an entry into the large and growing energy infrastructure industry*” and “*EIF represents exactly what we look for... in an investment strategy that is attractive for our collective fund investors and a deep expertise that we believe will benefit and further diversify Ares’ existing strategies*”; and

WHEREAS, EIF has invested in the Pilgrim Pipeline, a proposed project to build a bidirectional 180-mile pipeline from Albany, NY to Linden, NJ to transport crude oil and refined petroleum products; and

WHEREAS, the Pilgrim Pipeline proposal poses risks to public health and safety, local economies, and the environment; and

WHEREAS, under Governor Cuomo's Reforming the Energy Vision (REV) plan, New York is working towards reducing greenhouse gas emissions from the energy sector by 80% - from 1990 levels - by 2050 and sourcing 50% of all of New York's electricity generation from renewables by 2030; and

WHEREAS, the Pilgrim Pipeline and continued emphasis on fossil fuel dependence contradicts New York State’s short-term and long-term clean-energy goals;

BE IT RESOLVED that the New Paltz Village Board requests the New York State Comptroller to take a broader look reviewing Ares Management portfolio companies - including those not directly held in the NYSLRS - through the lens of Governor Cuomo’s Reforming the Energy Vision (REV) plan; and

AND BE IT FURTHER RESOLVED since the Comptroller’s office has led the effort to improve transparency with regards to corporate political spending, the Village of New Paltz Board encourages the Comptroller’s office to continue its admirable work and exercise its fiduciary responsibility when reviewing third-party investment managers’ portfolio holdings and the nature of underlying businesses.