



THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

EXECUTIVE ORDER No. 17

May 16, 2022

CHIEF INVESTMENT ADVISOR

WHEREAS, the City has five pension systems that offer defined benefit retirement plans to nearly 350,000 City employees and 320,000 retirees or their beneficiaries: the New York City Employees' Retirement System ("NYCERS"), the Police Pension Fund ("PPF"), the Fire Pension Fund ("Fire"), the Teachers' Retirement System ("TRS") and the Board of Education Retirement System ("BERS") (collectively, "the Systems"); and

WHEREAS, the Comptroller, through the Bureau of Asset Management, is the investment advisor to, and custodian of, the five System funds; and

WHEREAS, the City offers a defined contribution plan to its employees, known as the Deferred Compensation Plan (the "Plan"), which is administered by the Office of Labor Relations; and

WHEREAS, each of the Systems and the Plan has a Board of Trustees ("Board") to fulfill its investment and administrative functions, and those Trustees have a fiduciary responsibility to ensure that all investment and administrative decisions are made in the best interests of the respective System or the Plan; and

WHEREAS, in addition to the Comptroller and certain union leaders, the Mayor and/or members of the Administration, including the Police Commissioner, Fire Commissioner, Finance Commissioner, Chancellor of Education and members of the Panel on Educational Policy hold *ex-officio* seats on one or more System Boards; and

WHEREAS, the Mayor and members of the Administration, including the Commissioner of Labor Relations, Director of the Office of Management and Budget, Commissioner of Citywide Administrative Services, and Finance Commissioner hold *ex-officio* seats on the Board of the Plan; and

WHEREAS, pension benefits are defined by law and paid by the Systems to retirees and their beneficiaries regardless of whether annual investment income and employee contributions

are sufficient to meet these obligations –because the City must make contributions to cover any System shortfalls; and

WHEREAS, because of adverse market conditions, enhancements in statutory benefits, and increases in the number of disability pensions granted, the City’s pension contributions to cover such shortfalls have increased dramatically in recent years; and

WHEREAS, to preserve tax dollars for pension and non-pension related expenses, and to ensure appropriate investment opportunities are offered to employees participating in the Plan, the Administration’s representatives on the Systems’ Boards and the Plan must have an independent source of financial advice evaluating investment decisions.

NOW, THEREFORE, by the power vested in me as Mayor of the City of New York, it is hereby ordered that:

Section 1. Chief Investment Advisor. There is hereby established the position of Chief Investment Advisor as part of the Mayor’s Office of Pensions and Investments. The Chief Investment Advisor (“CIA”) shall:

- (a) Perform management and administrative responsibilities, such as staffing and delegation as may be determined and/or directed by the Commissioner of Finance;
- (b) Serve as a financial advisor to the Administration’s representatives on the Systems’ Boards and the Plan regarding all respective investment activities;
- (c) Recommend sound investment policies that balance the City’s goals of generating higher returns on pension assets while managing economic, capital markets and liquidity-related risks within the portfolios, and reducing long-term costs of benefit payments;
- (d) Monitor the performance of investments and investment managers for all asset classes held by the Systems and the Plan;
- (e) Serve as the principal liaison with the Comptroller’s Bureau of Asset Management to ensure that all appropriate information regarding investments is analyzed and integrated into the performance reviews of investment managers and the development of investment strategies, and provided timely and accurately to all Trustees;
- (f) Serve as a liaison to the Chief Actuary;
- (g) Conduct research on all relevant investment issues that impact the portfolios;
- (h) Provide the Administration’s Trustees on the Boards and the Plan any appropriate investment reviews, reports and presentations;
- (i) Make recommendations to Trustees on asset allocation, investment strategy, selection and termination for and among investments in all asset classes;

(j) Evaluate the appropriateness of non-traditional investment opportunities, such as private equity, hedge funds, and real estate;

(k) Meet with consultants and potential investment partners in connection with prospective investment opportunities;

(l) Evaluate current methodologies and technology for effective risk analysis and identify and analyze new and innovative risk management tools and/or strategies;

(m) Work with the Office of Management and Budget, Chief Actuary and others to evaluate interactions between market conditions, statutory benefits and pension contributions to improve funding levels for the Systems, as well as predictability and stability in costs of benefit payments;

(n) Consult regularly with the Office of Management and Budget, the Law Department, the Deputy Mayor for Economic Development, and the Deputy Mayor for Operations regarding the potential fiscal impacts and legal liabilities of investment and policy matters coming before the Boards, as well as any efforts to reform the City's pension Systems;

(o) Assist in negotiating the terms and conditions of investment contracts with investment managers and banks;

(p) Assist in monitoring legislative efforts concerning City pensions to reduce unnecessary economic and administrative burdens on the Systems; and

(q) Cooperate with all non-Administration Trustees to achieve the goal of maximizing investment returns within acceptable risk tolerances.

§ 2. Cooperation and Assistance. All affected agencies shall cooperate and provide appropriate assistance to the CIA upon request.

§ 3. Executive Order No. 139, dated September 2, 2010, is hereby revoked.

§ 4. Effective Date. This Order shall take effect immediately.



Eric Adams
Mayor