

WHAT -- YOU WANT RESPONSIBILITY?

By E.J. KESSLER

NEW York City's five public-employee pension funds lost billions last year, with taxpayers on the hook to make up any benefit shortfalls. But the four City Council members vying to become the next city comptroller -- the pension funds' steward and the auditor of the budget and city contracting -- don't seem worried. With just weeks left before the Sept. 15 Democratic primary, they're mainly fighting over how to leverage the pension funds to advance various special-interest social or political causes. Only one (tepidly) supports any pension reform for workers. John Liu wants to use the funds to invest in transportation infrastructure and "affordable" housing; Melinda Katz, to buy up distressed real-estate assets; David Yassky, to foster "green technology" industries. David Weprin, meanwhile, wants the comptroller to open an office in each borough to educate locals on money matters. As Liu told the *Gay City News*, "I see shareholder activism as one of the fundamental roles of the comptroller's office. I don't see the comptroller as a bureaucratic position. It absolutely can be and should be an office as agent of change." Liu, a naturalized Chinese immigrant who represents Flushing, probably has a leg up in the still wide-open race. With the backing of the leftist Working Families Party -- a get-out-the-vote machine -- and such key public-sector unions as SEIU 1199 and the Communications Workers of America District 1, he leads his rivals in donations. (He has raised \$2.9 million while they've raised between \$2.4 million and \$1.7 million.) His "invest in infrastructure and housing" plank sounds good -- except when you consider that such investments 1) should, if anything, be part of the regular city budget, and 2) are aimed at creating more city-funded union jobs. Katz, a central Queens attorney, is the only woman in the race -- and is working that distinction to the maximum with the help of the feminist fund-raisers of Emily's List. Her rivals fault her closeness to the city's real-estate industry -- as her proposal to invest the city's pension funds in fire-sale real estate indicates. It's also a bad idea; California's employee-pension fund got soaked last year when similar investments tanked. Yassky, a graduate of then-Rep. Charles Schumer's Washington operation who represents parts of Brooklyn, hopes to sweep Manhattan's good-government liberals. A former city budget analyst (married to the former head of the Citizens Budget Commission), Yassky passes for the fiscal hawk in the race -- he's the one who says the city should consider a new pension tier for employees. Yassky cares passionately about the environment, but his "green" proposal also functions as a bid for the support of the environmental lobby. It's working: Robert Kennedy Jr. of the anti-development Riverkeeper just endorsed him. Weprin, who represents Hollis-Jamaica, argues that his experience makes him the best fit for the job: He chairs the council's Finance Committee, served a stint as state deputy superintendent of banks and has private-sector experience at such firms as Kidder Peabody and Paine Webber. He may indeed have the best credentials of the four. But his scheme for consumer-education offices lies outside the comptroller's traditional duties. Some questions: Where's the money for the offices? Who'll staff them? (Smells like patronage opportunities . . .) And who'll be liable for advice gone bad? City Journal contributor Nicole Gelinas, a chartered financial analyst, looks askance at the candidates' activist investment schemes. "The goal of the comptroller is to responsibly invest the pension funds to earn a return to pay the benefits that's the responsibility of the taxpayers," she said, and to find these investments anywhere, not to stimulate the city economy or create jobs. Introducing such considerations, she said, "creates the potential for a political mess." Consider: The city had to pony up \$6.3 billion for its pension funds in fiscal 2009, up from \$1.1 billion in fiscal 2001. And that figure will only rise. And the budget? At a candidate forum last month, when asked to rate the city's fiscal condition from 1 to 10, with 10 being the worst, Weprin gave it a 3 or 4, Katz a 5, Liu a 7 and Yassky an 8, *Crain's New York Business* reported. Doesn't sound like they're too exercised about this potential four-alarm fire. "This is going to be a hugely important job over the next four years," said Mitchell Moss, a professor of urban policy and planning at NYU's Wagner School. "When times are going well, you don't look at the pension report. When times are going badly, you start worrying about them." Because no candidate is likely to get 40 percent of the vote, the comptroller primary is likely to result in a runoff. By then, let's hope the public is asking tougher questions. ekessler@nypost.com