



PRB PLANS

Outspoken Dallas City Council member could be censured over Museum Tower sale comments

March 24, 2016, By Tristan Hallman

A Dallas City Council member's comments to the media about plans to sell the troubled Museum Tower could earn him a reprimand from the Dallas Police and Fire Pension Board.

Council member Philip Kingston's decision to make public comments about a possible sale of the system-owned tower could damage efforts to make a deal, according to fellow pension trustees.

But Kingston didn't back down in a tense pension board meeting Thursday, even as other trustees accused him of weakening their negotiating position when he spoke on WFAA-TV (Channel 8) earlier this month about the vexing downtown skyscraper.

[The Dallas Morning News](#)

Dallas pension fund leader's goal: diversity that delivers

March 25, 2016, By Cheryl Hall

With rare exception, white men pull the levers in the money management world.

Cheryl Alston, executive director of the Dallas Employees' Retirement Fund, wants to add more women, people of color and a youthful note to that mix.

The pension fund has set a goal of giving 10 percent of its portfolio to small, diverse investment management companies.

It's not about diversity for diversity's sake, says the 49-year-old who's led the \$3.1 billion pension fund for 12 years. It's a matter of better returns and making sure the fund's 15,000 municipal workers and retirees get their due.

[The Dallas Morning News](#)

Fort Worth Employees adopts theme-based allocation

March 28, 2016, By Meaghan Kilroy

Fort Worth (Texas) Employees' Retirement Fund is moving to a theme-based asset allocation, said Joelle Mevi, executive director and chief investment officer.

The new approach is intended to allocate/classify assets by their functional role within the portfolio with an emphasis on risk (as defined by standard deviation on the return/risk assumptions table) instead of strictly adhering to traditional asset class descriptions. Ms. Mevi wrote, in an e-mail.

[Pensions & Investments](#)

Police and Fire Pension Fund Should Be Ashamed of Going After Kingston

March 30, 2016, By Jim Schutze

The Dallas Police/Fire Pension Fund, still trying to dig itself out of the billion-dollar financial hole it dug for itself by making stupid investments, is going to meet Friday to consider censuring board member Philip Kingston for speaking candidly and intelligently to the public about the pension fund's problems.

And, look, before we even get into the details of that, let's do a quick historical review of secrecy at the city of Dallas and all the many curses it has wrought upon our heads.

[Dallas Observer](#)

Report shows money city employees earn during retirement

March 30, 2016, By Jace Larson

Numbers show city of Houston employees, firefighters and police officers receive varying amounts of money from city pensions when they retire.

The city of Houston has long offered pensions to firefighters, police officers and most remaining city employees.

The longer you work for the city, the more money you earn from your pension when you retire.

A report released three months ago shows funding for Houston's three pension systems is \$5.6 billion dollars behind.

[Click2Houston](#)

Philip Kingston files petition to head off pension system's 'ambush' over Museum Tower remarks

March 31, 2016, By Robert Wilonsky

First thing Friday, the Dallas Police and Fire Pension System will have a special board meeting to consider taking action against Dallas City Council member Philip Kingston for going on TV to discuss, among other things, the possible sale of Museum Tower. But Kingston, who's also on the pension fund board, is hoping to head off the ambush at the pass.

Kingston filed a petition Thursday afternoon in Dallas County court that says he seeks to investigate potential claims against the Dallas Police and Fire Pension System and potential claims the Pension System may seek to assert against him.

[The Dallas Morning News](#)

Watts: Houston, it's time for action on pensions

March 31, 2016, By Marc Watts

Several weeks ago, Moody's described Houston's pension debt as being "among the highest in the nation," downgrading the city's debt and maintaining a "negative" outlook. S&P followed with a similar

action a week later. Both agencies cited the effects of low oil prices, limits on the city's revenue and concerns over the city's rising pension costs.

The city can't do anything about oil prices other than wait it out and continue to diversify our economic base. City revenues have been growing at a healthy clip for the last decade, despite the voter-imposed cap on ad valorem taxes. Our community must focus on reforming the city's broken pension system.

[Houston Chronicle](#)

TEXAS ECONOMIC INDICATORS

Report: Oil price slump costs Texas 65,000 energy jobs — and 250,000 jobs overall

March 29, 2016, By Robert T. Garrett

Declining oil prices have slowed the sprinting Texas economy to a very deliberate walk, according to a report issued Tuesday.

This year, the state will increase total jobs by 1 percent, says the analysis by the business-backed Texas Taxpayers and Research Association.

But that's a lot fewer than Texas has been creating.

For the past eight years, recession notwithstanding, Texas has posted average job growth of 2 percent a year.

That compares with just 0.5 percent a year growth nationally, says the association's new report, "Miracle on Ice? What Low Oil Prices Mean for Texas."

[The Dallas Morning News](#)

Texas economy isn't bulletproof; Fed leader warns of 'chinks in the armor'

March 29, 2016, By Christopher Calnan

Increasing the number of residents eligible to work is crucial in keeping Texas economy in growth mode — and education plays an important role in that, Federal Reserve Bank of Dallas President Robert Steven Kaplan said Tuesday.

Kaplan, speaking at an Austin Chamber of Commerce luncheon at the Hilton attended by 350 people, said the problem is especially prevalent among Texas' Hispanic population and is one of the few "chinks in the armor" of a state economy that has diversified since the 1980s.

"We're lagging behind in this ... what we call educational attainment," he said. "The key to the state's economy is the workforce population growth. Education is central and something we can do something about."

[Austin Business Journal](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Shining light on government pensions

March 24, 2016, By Jennie L. Phipps

The introduction of legislation to force states and municipalities to adopt strict standards and report on the finances of their employee pension funds seems to be a regular occurrence. "It's like Groundhog Day," says Ted Goldman, senior pension fellow for the American Academy of Actuaries.

The actuaries have taken notice of the Public Employee Pension Transparency Act, re-introduced March 21 in the U.S. House by Rep. Devin Nunes, R-Calif. Among other things, the bill would prevent states and cities from issuing tax-exempt bonds without publicly disclosing the cost of their pension plans and estimating their ability to pay those obligations. The legislation would also prohibit bailouts of state or local pension obligations by the federal government.

Bank Rate

Will Republicans Squander Opportunity on Public Pension Transparency?

March 25, 2016, By Andrew Biggs

It's said that sunlight is the best disinfectant. But unless the Republican-led Congress steps up, the fetid world of public employee pension financing may remain a danger to taxpayers and government budgets.

As we've discussed several times over the past week, the Congress has a tremendous opportunity to require state and local government employee pension plans to accurately disclose their multi-trillion dollar unfunded liabilities. Those plans currently calculate their liabilities using rules issued by the Governmental Accounting Standards Board, which many believe to be a captured regulator. These accounting rules significantly understate public pensions' benefit liabilities. Moreover, GASB rules tell public pensions that if they take greater investment risk, their liabilities . . . and the contributions needed to fund them . . . drop even further. If you want to know why public pensions have *doubled* their investments in risky hedge funds and private equity since the Great Recession, there's your answer.

Forbes

California board recommends Secure Choice legislation

March 28, 2016, By Hazel Bradford

The California Secure Choice Retirement Savings Investment Board on Monday unanimously approved final recommendations to the state Legislature for creating a mandatory payroll deduction IRA program for private sector workers who have no employer-provided retirement plan.

"Today we stand assured that the Secure Choice program is feasible and will be able to reach self-sustaining status within 10 years," Acting Executive Director Cristina Elliott told the board. The panel also advanced an agreement with Oregon and Illinois to share legal costs for clarifying the program's status with federal regulators.

Pensions & Investments

Pensions in peril: Retired Teamsters fear huge cuts are coming

March 29, 2016, By Steve Pokin

Retired Teamsters in Missouri and other states have been living in fear that their pensions - the financial bedrock of their senior years - might be cut 50 to 70 percent per month on July 1.

They feel betrayed because the federal government, which had promised back in 1974 that their nest eggs would be safe, has instead placed those pensions in peril.

The U.S. Department of Labor has managed the Teamsters' Central States Pension Fund for investment purposes since 1982. The fund surrendered control years ago due to mob corruption that had influenced top fund managers and union leaders.

[News Leader](#)

Supreme Court's deadlock on union fees could be the first of many tie votes

March 29, 2016, By David G. Savage

A well-planned legal assault on public unions collapsed Tuesday when the Supreme Court deadlocked over a California woman's lawsuit to strike down mandatory fees, the strongest evidence yet that Justice Antonin Scalia's death has stymied the court's conservatives.

The 4-4 split keeps in place a 1970s-era rule that authorizes unions to require municipal employees, teachers, college instructors and transit workers to pay a "fair share fee" to help cover the cost of collective bargaining.

The tie vote, widely expected after Scalia's death, nevertheless came as a relief to union officials who feared the conservative justices were on the brink of striking down the pro-union law as a violation of free speech.

[Los Angeles Times](#)

Preliminary settlement reached in Dudenhoeffer case

March 30, 2016, By Robert Steyer

The stock-drop lawsuit that led to a landmark U.S. Supreme Court ruling on company stock funds in defined contribution plans has been tentatively settled for \$6 million.

Senior U.S. District Judge Sandra Beckwith in Cincinnati signed an order Monday granting preliminary approval of a settlement in the class-action complaint by participants in a 401(k) plan managed by Fifth Third Bancorp, Cincinnati.

As part of the settlement, Fifth Third Bancorp agreed to make several plan design changes, most notably freezing its company stock fund.

[Pensions & Investments](#)

Fate of 400,000 Teamster Pensions Rests in Ken Feinberg's Hands

March 31, 2016, By Caleb Melby and Anders Melin

Fred Allsen, a retired truck driver and disabled Vietnam War veteran, has received a \$2,700 pension check every month for the past decade. That may not last much longer.

By May 7, federal mediator Kenneth Feinberg must decide whether to accept a plan to cut Allsen's payouts and those of thousands of other teamsters to prevent the Central States Pension Fund from going broke. The decision could set a national precedent for other multiemployer funds.

[Bloomberg](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Employers seek to simplify 401(k), other retirement plans

March 28, 2016, By Russ Wiles

From humble beginnings, 401(k) programs have nearly pulled even with traditional pensions as the main type of workplace retirement plans. They've done it by offering a starkly different approach - one that relies on workers, not their employers, to make key saving and investment decisions.

But as they seek to get more employees to participate, the companies offering these plans are taking some decisions out of the hands of workers, just like pensions do.

[AZCentral](#)

U.S. Stocks Rise With Treasuries, Dollar Falls on Yellen Remarks

March 29, 2016, By Jeremy Herron and Joseph Ciolli

U.S. stocks rose with Treasuries while the dollar fell after Federal Reserve Chair Janet Yellen signaled that the central bank remains wary of raising rates amid threats to American growth from a slowing global economy.

The Standard & Poor's 500 Index erased losses as the comments from Yellen signaled the Fed remains leery of derailing growth in the world's largest economy even as signs point to a firming labor market. The Bloomberg Dollar Spot Index fell, while emerging-market assets advanced as the likelihood of lower rates for longer sapped the appeal of the greenback. Treasuries rose, pushing the yield on the 10-year note to 1.82 percent. Crude slipped through \$39 a barrel in New York for a fourth day of declines.

[Bloomberg](#)

Detroit's CFO: City may kick in \$30M to pension funds

March 29, 2016, By Charlie Ramirez

The city's financial officer on Monday said the city could add \$30 million this fiscal year to pay into the city's two pension funds, three times more than initially planned.

"It's our expectation that we will have an additional \$20 million-\$30 million that we will be able to set aside for the pension plans," said CFO John Hill. "We do know that in a few days as we are finalizing the audit."

Hill made the remarks during a presentation on the city's four-year financial plan to the Detroit Financial Review Commission.

[The Detroit News](#)

Hedge Funds' Crush on Treasuries

March 28, 2016, By Lisa Abramowicz

Hedge funds are increasingly tying the fortunes of U.S. bonds to the rest of the world, which suggests that Treasury yields will stay low -- or go even lower -- in the near term.

These investors probably increased their Treasury holdings to record amounts over the past year, according to Federal Reserve data cited by reporters Liz Capo McCormick and Alexandra Scaggs in a Bloomberg News article on Monday. This is significant because these funds generally trade securities more frequently than sovereign wealth funds or central banks, which may make the debt more volatile day to day.

Bloomberg

Chicago credit rating slammed in wake of pension ruling

March 29, 2016, By Meaghan Kilroy

The Illinois Supreme Court's rejection of a 2014 pension reform law for two Chicago pension funds is a credit negative for Chicago, Moody's Investors Service said in a report Tuesday.

Tuesday's announcement does not signify a rating or outlook change but aims to show one of the many credit factors affecting Chicago. Moody's downgraded Chicago's credit rating to junk in May, citing pension concerns.

The Supreme Court ruled March 24 that the law violated the state's constitutional clause that pension benefits shall not be diminished or impaired, upholding the decision reached in a Cook County Circuit Court in July.

Pensions & Investments

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

EU pensioner income down 11pc as Brexit vote adds to expat woes

March 29, 2016, By Olivia Rudgard

Income for British pensioner expats living in the EU has dropped 11pc in ten years, with the latest fall-off attributed to market uncertainty surrounding June's Brexit vote.

According to expat pension managers Equiniti Group, pensioners in the Eurozone are living on 11pc less than they were in 2006.

The euro exchange rate has fallen by 2pc since the government announced plans for this year's referendum, accounting for the most recent part of the decline.

This emerges as thousands of Britons who retired overseas in the Nineties and later make the momentous decision to return home.

The Telegraph

China Releases Rules on National Pension Fund to Ensure Safety

March 29, 2016, By Bloomberg News

China released rules governing its national pension fund to ensure the safety of the retirement pool that has expanded to 1.5 trillion yuan (\$230 billion) since it was created 16 years ago, as the population ages.

The fund, financed by the central government budget, state capital transfers and its own investment returns, is reserved for social-security expenditures as the number of elderly peaks, according to the rules published by the State Council on Monday. The National Council for Social Security Fund should base its management of the fund on safety, profitability and long-term principles, according to the statement.

The new rules take effect on May 1. They relate to the role of the fund, who manages it, the responsibilities of the manager, supervision and legal responsibilities.

[Bloomberg](#)

Canadian pension funds record rough start to 2016 funding levels

March 31, 2016, By Rick Baert

Canadian public and corporate defined benefit plans administered by Aon Hewitt started the year in worse funding shape than at the end of 2015, with a median funded status of 83.1% as of March 31 vs. 87.6% as of Dec. 31.

The first-quarter survey of 449 plans showed the first-quarter funded status was also down from 89% at the end of the first quarter 2015.

Eight percent were fully funded, down from 11% in the fourth quarter and 18% in the quarter ended March 31, 2015.

[Pensions & Investments](#)

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