



PRB PLANS

Pension dispute centers on who's a city employee

May 1, 2016, By L.M. Sixel

The city of Houston's effort to off-load some convention and facilities employees from its pension plan has hit what should have become its end - the Texas Supreme Court. But the city continues to keep these employees off its books long after the court essentially ruled against the practice.

At issue is whether the city can avoid millions of dollars in pension obligations by shifting workers from the municipal payroll to that of an employee leasing company. The Houston Municipal Employees System says no, and has gone back to court to force the city to turn over payroll records from the employee leasing firm and make contributions on behalf of these workers.

[Houston Chronicle](#)

Council approves creative incentive for police, fire pension

May 3, 2016, By Maria Garcia

In order to retain fire fighters and police officers longer, the City of El Paso is backing a creative incentive.

The city wants to keep officers for at least 28 years but many of them leave the city shortly after 20 years when they're eligible for retirement. Some of them then go work for another law enforcement agency and collect their city pension.

The city council on Tuesday approved a plan they hope will entice fire and police officers to stay on, after they're eligible for retirement. The plan would allow the officers to start accruing their pension money while still working and collecting their paycheck if they stay a few more years after they're eligible for retirement. The pension money would accrue in the pension fund which means the city would make interest off of it.

[KVIA](#)

Property-Tax Cap Targeted to Save Houston Budget

May 5, 2016, By Cameron Langford

Houston voters must lift a cap on property taxes in November 2017 so the city can start nibbling away at its more than \$6 billion pension hole, Mayor Sylvester Turner said Wednesday.

The city paid \$350 million in pensions to firefighters, police and city workers in 2015, but its unfunded pension debt is \$6 billion and growing - the same problem that bankrupted Detroit in 2013.

The pension crisis is the result of years of city administrations striking deals with police and city workers to pay less into their pension funds than was mandated by state law.

[Courthouse News](#)

Local control best for city pension plans

May 5, 2016, By Gary Gibson

There are 13 city retirement systems that have become codified in state law by our Legislature.

The state has positioned itself between local taxpayers and their representatives, hindering local control of a major public policy matter in these communities. It significantly limits local systems from reforming their plans because regardless of any proposed changes, municipal leaders must navigate the legislative process to make any changes.

[My San Antonio](#)

TEXAS ECONOMIC INDICATORS

Oil price drop a drag on Texas economy

May 1, 2016, By Dale Craymer for the Express-News

The Texas economy - long a standout and a major source of Lone Star bragging rights - has gained national attention as the "Texas Miracle." Over the past eight years alone, Texas' annual job growth has exceeded the nation's growth by a factor of four, with Texas adding jobs at a robust 2 percent, even in the face of a severe recession.

But much of that growth has been fueled by oil and gas, which is five times more important to our economy than to the nation's. The recent price drop has been a body blow to our state. For the first time in 12 years, Texas' job engine lags the rest of the nation.

Over the past year, oil and gas companies have shuttered more than 600 operating rigs, cut investment by more than \$40 billion and slashed payrolls by 65,000, with the further ripple effect of 250,000 jobs lost in other sectors.

[My San Antonio](#)

SATA Group Building New Plant In Texas

May 5, 2016

SATA Group, a high-tech auto components manufacturer, will build a new machine plant in Brownsville, TX. The project is expected to create 300 jobs and generate \$114 million in capital investment in the Texas economy. A Texas Enterprise Fund (TEF) offer of \$1.8 million has been extended to SATA Group. Brownsville will be the Italian SATA Group's first presence in the U.S. and serve as the company's North American headquarters.

"Our level of quality and superior manufacturing productivity created a global demand for our machined products and services," said Pietro Cinotto, Vice President of SATA USA. "It grew to the point where it made sense for us to enter the North American market and that's when Brownsville, Texas came into our site selection process. The overwhelming support helped us make the decision to settle in Brownsville."

[Business Facilities](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Dem senators: Slash executive pay at pension plans seeking benefit cuts

May 3, 2016, By Peter Schroeder

A group of Democratic senators want to see pension executives suffer a pay cut if the plans they monitor cut benefits.

A new bill unveiled Tuesday takes square aim at executives of pension plans that are considering cutting benefits, as lawmakers want to ensure that top officials feel some of the resulting pain as well.

The bill comes at the same time the Treasury Department is nearing a deadline to decide whether to sign off on a sweeping set of benefit cuts sought by the Central States Pension Fund, which provides benefits to hundreds of thousands of union workers.

[The Hill](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Which Puerto Rico Bond Defaults Next? A 1,600% Yield Says It All

April 29, 2016, By Brian Chappatta

As far back as December, Puerto Rico Governor Alejandro Garcia Padilla warned that May would be the month when it could no longer pay bondholders. It's almost here.

The commonwealth owes \$470 million in payments on May 1, including \$422 million on securities sold by its Government Development Bank, which has already frozen some deposits to preserve cash. Because May 1 falls on a Sunday, the island has until Monday to come through.

The failure to pay what's owed on the development bank bonds would mark the biggest default yet by Puerto Rico, whose fiscal crisis has been steadily building for the past 10 months. With the government nearly drained of its cash, Moody's Investors Service says such a lapse is a virtual certainty. Investors appear to agree: The securities last traded for 32 cents on the dollar, just weeks before the government was scheduled to pay them off at full face value. That effective yield: About 1,600 percent.

[Bloomberg](#)

Counterpoint: Pension fixes are already on the table

April 29, 2016, By Laurie Hacking, Dave Bergstrom and Doug Anderson

We agree with the call for fixes to the state's public pension plans made by Mark Haveman of the Minnesota Center for Fiscal Excellence (Public pension plans: Can we Minnesotans handle the truth? April 24). In fact, Minnesota's pension boards have proposed to fix the plans in ways that meet the interests of everyone who has a stake in the system - including public employees, retirees, governments and taxpayers.

Two of the three statewide pension plans are indeed seeking legislative changes for the third time in 10 years. Monitoring the plans and making necessary adjustments is an ongoing, routine part of the exercise of our fiduciary duty to Minnesota taxpayers, active and retired public workers, local government units, and school districts. We are committed to the defined-benefit (DB) pension model and believe wholeheartedly that DB pensions are the best way to provide modest retirement security for our public workers in the most cost-effective way for taxpayers.

[Star Tribune](#)

Alabama's One-Man Pension Show

May 2016, By Liz Farmer and Daniel C. Vock

The office suite of David Bronner, head of the Retirement Systems of Alabama (RSA), rivals those of governors in much bigger and much richer states. Perched on the top corner of a building completed in 2008, Bronner's spacious office is full of the framed photos, cartoons and assorted knick-knacks indicative of a long career in politics. A large rug in front of his desk prominently displays RSA's circular logo. Bronner's real trophy case, though, can be seen through his floor-to-ceiling windows and adjoining balcony: the panoramic view of downtown Montgomery, which shows just how much he has changed the skyline of this city of 200,000 people. Five mammoth concrete-and-glass buildings, much like the one his office occupies, stand nearby. The green-capped buildings are designed primarily to house state agencies, yet they're outfitted with flourishes fit for big-city law firms, from fountains, marble, granite and towering lobbies to polished metal cauldrons at major entrances. Beyond them stands the city convention center and the adjoining hotel that Bronner also oversees.

[Governing](#)

COLA clashes in spotlight as public plans, participants tussle

May 2, 2016, By Robert Steyer

Through legislation and regulation, public pension plans are reforming their cost-of-living-adjustment rules, which often ignites legal clashes with employees and retirees.

The reason isn't surprising.

'Reform' has become a euphemism for benefits reduction, said Keith Brainard, the Georgetown, Texas-based research director for the National Association of State Retirement Administrators, noting that reform encompasses COLA reductions among several public pension cost-reduction policies.

[Pensions & Investments](#)

Investors Join Buffett Slamming Hedge Fund Fees at Milken

May 2, 2016, By Katia Porzecanski

Top investors took hedge fund fees to task at the Milken conference Monday, with participants saying managers return too little and face a wave of closures.

Chris Ailman, chief investment officer for the \$187 billion California State Teachers' Retirement System, told Bloomberg Television that the two-and-twenty fee model is "broken" and off the

table for large institutional investors. Neil Chriss, founder of Hutchin Hill Capital, said investors will pull out of funds that aren't giving them returns to justify the fees.

[Bloomberg](#)

Puerto Rico's Debt Crisis Deepens as Government Misses Payment

May 2, 2016, By Nick Timiraos

Puerto Rico's debt crisis moved into a more perilous phase for residents, lawmakers and bondholders Monday after the Government Development Bank failed to repay almost \$400 million.

The missed principal payment, the largest so far by the island, is widely viewed on Wall Street as foreshadowing additional defaults this summer, when more than \$2 billion in bills are due.

Together with the spread of the Zika virus, the risk of cascading defaults is putting new urgency on bipartisan negotiations in Washington over legislation granting the U.S. territory new powers to restructure more than \$70 billion in debt. The Centers for Disease Control and Prevention reported last week the first U.S. death related to the mosquito-borne Zika virus— a Puerto Rican man in his 70s who died in late February.

[The Wall Street Journal](#)

Wall Street falls after disappointing jobs data

May 6, 2016, By Tanya Agrawal

U.S. stocks were lower on Friday after April payrolls data showed employment gains hit a seven-month low, casting doubts about the health of the economy and the likelihood of an interest rate hike by the end of the year.

Nonfarm payrolls increased by 160,000 last month, far below the 202,000 that economists polled by Reuters had forecast on average. The number was lower than the first-quarter average monthly job growth of 200,000.

Mixed economic data and the slowing pace of global growth have weakened investors' appetite for risk.

[Reuters](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Australia makes large scale pension reforms on par with UK

May 3, 2016, By Mark Battersby

Treasurer Scott Morrison, in his first budget on 3 May, set out an alteration to the amount that can be contributed to Australia's superannuation by introducing a lifetime non-concessional cap of A\$500,000 (£260.5k, \$381.2k, "331.9k) to replace the existing caps of A\$180,000 a year or \$540,000 over three years.

In Australia, superannuation refers to the government-supported savings arrangements people make by investing in funds aimed at replacing their earned income when they get to retirement.

[International Adviser](#)

Greek parliament to vote on tax, pension reforms before Eurogroup meeting

May 5, 2016, By Renee Maltezos

Greek labor unions declared a 48-hour national walkout on Thursday as lawmakers debated unpopular tax and pension reforms Greece hopes will help persuade creditors to approve release of badly-needed bailout cash.

Greece needs the bailout funds to pay IMF loans, ECB bonds maturing in July and growing state arrears, but these are subject to it passing a review that includes required changes to its tax and pension laws.

Labor unions said the proposals ran roughshod over a population that has already suffered years of austerity. The country's two largest unions called a two-day general strike from Friday, culminating in a demonstration in central Athens on May 8.

[Reuters](#)

China's Huge Pension Fund Is Hiring in Sign of Risky Asset Push

May 5, 2016, By Bloomberg News

China's \$237 billion social security fund posted a rare public advertisement for job openings in economic analysis, equity research and global fixed-income investment, fueling speculation that the state-run institution is preparing to boost holdings of riskier assets.

Most of the 29 openings published on the fund's website on May 4 require a background in finance and accounting, while all the positions stipulate that applicants have a Beijing hukou, a registration card for city residents. Four of the jobs are designated for Communist Party members, in areas including cadre management and foreign affairs.

[Bloomberg](#)

Consumers Keep Canada Economy Afloat as Oil Damage Persists

May 6, 2016, By Greg Quinn

Consumers continue to hand the Canadian economy a lifeline.

The country added almost 50,000 jobs in consumer-related sectors like wholesale, retail, food and accommodation, Statistics Canada reported Friday in a job report that showed the economy is struggling outside of services.

It's a familiar story in a nation that's relied on households for years to drive growth in the face of slumping business investment and exports. Rising home prices and less-volatile financial markets have buoyed consumer confidence in the past few months.

[Bloomberg](#)

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