



Weekly Clips, June 3, 2016  
Texas Pension Review Board  
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## **PRB PLANS**

### **Fitch Affirms City of Dallas GOs 'AA+'; Outlook Stable**

May 31, 2016

Fitch Ratings has affirmed following City of Dallas, Texas (the city) ratings:

--Issuer Default Rating (IDR) at 'AA+';

--\$1.7 billion of outstanding limited tax general obligation debt at 'AA+'.

The Rating Outlook is Stable.

[Business Wire](#)

## **TEXAS ECONOMIC INDICATORS**

### **Dallas Fed: Texas factory activity drops, wipes out signs of rebound**

May 31, 2016, By Dan Zehr

A sharp drop in factory output in May killed the momentum Texas manufacturers had started to build the prior two months, clouding producers' outlooks despite the modest recovery in oil and gas prices, according to a report Tuesday from the Federal Reserve Bank of Dallas.

The state production index, a key measure of statewide manufacturing activity, dropped to a reading of -13.1 in May from 5.8 the prior month, according to the Texas Manufacturing Outlook Survey.

The sharp decline into negative territory . the lowest reading in a year . suggested that production contracted in May after expanding modestly in April.

[My Statesman](#)

### **Texas economy showing some confidence**

June 2, 2016, By Daniel J. Graeber

Though much of the Texas oil economy remains under pressure, a report from the Federal Reserve Bank of Dallas found cautious optimism on the margins.

Crude oil prices are up about 80 percent from their low point below \$30 per barrel early this year. For Texas, the No. 1 oil producer in the United States, that has yet to spill over into major economic recovery.

[UPI](#)

# **LEGAL PROCEEDINGS, LAWS & REGULATIONS**

## **Chicago gets some pension relief as Rauner veto overridden**

May 30, 2016, By John O'Connor

Chicago taxpayers will save \$1 billion on police and fire pension costs in the short term under a law the General Assembly approved Monday after some House Republicans bucked their governor, who had railed against it as a ridiculous expansion of the Illinois' growing pension hole.

The House voted 72-43 to override Gov. Bruce Rauner's veto of the savings plan, which trumps state law that required the city to pump \$4.62 billion into retirement accounts for police officers and firefighters through 2020.

[Houston Chronicle](#)

## **California Pension Fund CEO to Be Sentenced for Bribery**

May 31, 2016, By The Associated Press

Federal prosecutors want the former head of the nation's largest public pension fund sent to prison for four years after he acknowledged accepting more than \$200,000 in bribes and trying to steer investments to help an associate.

A judge on Tuesday in San Francisco was expected to sentence Federico Buenrostro, former chief executive of the California Public Employees' Retirement System. He pleaded guilty to fraud and bribery charges two years ago, saying he started taking bribes around 2005 to try to get staff members to make investment decisions that helped Alfred Villalobos, an investment manager and former board member of the pension fund.

[ABC News](#)

## **City ordered to pay \$285,000 into pension fund**

May 31, 2016, By Frank Lewis

The city of Portsmouth is going to have to pay nearly \$300,000 into the Ohio Police and Fire Pension Fund. A dispute arose when the fund cited the Ohio Revised Code in informing the city that pay the city thought was not pensionable, was, in reality, pensionable.

The issue was 120 hours that is paid to fire department employees that is over and above the holidays that the firefighters work.

[Portsmouth Daily Times](#)

## **Mayor Lenny Curry tells AG Pam Bondi that Police and Fire Pension Fund is ignoring law**

June 1, 2016, By Nate Monroe

Mayor Lenny Curry on Wednesday responded sharply to a letter the Police and Fire Pension Fund sent Attorney General Pam Bondi last week by sending her a letter of his own.

The Police and Fire Pension Fund has asked Bondi to determine whether the city General Counsel can issue legally binding opinions over its decision-making authority. Curry and General Counsel Jason Gabriel have said that request was inappropriate, with Curry writing to Bondi that the board's recent request is an attempt to ignore the law.+

### [The Florida Times-Union](#)

#### **Financial services organizations sue to stop new fiduciary rule**

June 2, 2016, By Hazel Bradford

A coalition of business and financial services organizations filed a lawsuit Wednesday to stop the Department of Labor's fiduciary rule.

The legal challenge by the Securities Industry and Financial Markets Association, Insured Retirement Institute, U.S. Chamber of Commerce and other groups filed in U.S. District Court in Dallas argues that the rule and its related exemptions overstep the department's authority, create unwarranted burdens and liabilities, undermine the interests of retirement savers and are contrary to law.+

### [Pensions & Investments](#)

## **NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION**

#### **Kansas legislators amass full-time pensions from part-time jobs**

May 29, 2016, By Scott Canon

When Kansas lawmakers adjourned early this month, they passed a budget that let the governor sort out the details of where to cut spending.

But they didn't need to worry about how their pensions would fare.

Legislators get a retirement package as unusual as it is generous, sealed with a taxpayer guarantee.

The one-of-a-kind Kansas pension plan lets representatives and senators sign up for full-time pension benefits while working their part-time elected positions.

### [The Wichita Eagle](#)

#### **Union: Privatizing all CPS buildings could harm city pension fund**

May 30, 2016, By Lauren FitzPatrick

Chicago Public Schools has doubled the number of schools whose facilities will be managed by private companies, a move the engineers union says won't save the broke district any money.

The president of the International Union of Operating Engineers Local 143 also warned that CPS's plan to move all 550 buildings to private managers will come with a larger cost to the city's struggling municipal employees' pension fund.

### [Chicago Sun Times](#)

## **The federal insurance fund protecting millions of pensions is running out of cash** May 30, 2016, By Jonnelle Marte

One of the nation's largest multi-employer pension funds said that it is out of ideas for ways to save itself from an impending failure.

After the Treasury Department rejected its Hail Mary proposal, which would have substantially cut benefits for some retirees, the Central States Pension Fund has little choice but to turn to a federal insurance program that is supposed to offer a lifeline to troubled pension funds.

But there's one major problem - that program is expected to run out of money, too.

### **[The Washington Post](#)**

## **Pension Funds Pile on Risk Just to Get a Reasonable Return** May 31, 2016, By Timothy W. Martin

What it means to be a successful investor in 2016 can be summed up in four words: bigger gambles, lower returns.

Thanks to rock-bottom interest rates in the U.S., negative rates in other parts of the world, and lackluster growth, investors are becoming increasingly creative - and embracing increasing risk - to bolster their performances.

### **[The Wall Street Journal](#)**

## **Coalition of public officials calls for broader diversity on corporate boards** June 1, 2016, By Barry B. Burr

A coalition of 14 state and city financial officials who are trustees of public retirement funds representing more than \$1 trillion in assets, is calling on corporations to embrace more racial and gender diversity, including lesbian, gay, bisexual and transgender diversity, on their boards of directors, said a joint statement from the group released Wednesday by CtW Investment Group, which is helping in the effort.

Coalition members include John Chiang, California state treasurer and trustee of the \$292.6 billion California Public Employees Retirement System and \$186.8 billion California State Teachers Retirement System; Thomas P. DiNapoli, New York state comptroller and sole trustee of the \$178.3 billion New York State Common Retirement Fund; and Scott M. Stringer, New York City comptroller, who oversees the five New York City pension funds with combined assets of \$154 billion.

### **[Pensions & Investments](#)**

## **First Rise in U.S. Death Rate in Years Surprises Experts** June 1, 2016, By Sabrina Tavernise

The death rate in the United States rose last year for the first time in a decade, preliminary federal data show, a rare increase that was driven in part by more people dying from drug overdoses, suicide and Alzheimer's disease. The death rate from heart disease, long in decline, edged up slightly.

Death rates - measured as the number of deaths per 100,000 people - have been declining for years, an effect of improvements in health, disease management and medical technology.

### **[The New York Times](#)**

## **San Francisco City & County Employees eyeing China A shares**

June 2, 2016, By Douglas Appell

The San Francisco City & County Employees' Retirement System board will consider an opportunistic allocation of roughly \$400 million to actively managed China A shares listed in Shanghai and Shenzhen.

Materials presented to the board last month by William J. Coaker Jr., chief investment officer of the \$20 billion pension fund, recommended allocations of up to \$200 million each for two Beijing-based managers: Cephei Capital and Springs Capital.

### **Pensions & Investments**

## **Schafer: Why the Central States Pension Fund is doomed to fail**

June 2, 2016, By Lee Schafer

The TeamstersqCentral States Pension Fund looks all but certain to fail, crushing the retirement dreams of thousands of Minnesotans and many thousands more in other states.

For a calamity like this, it's important to understand how the problem came about. Forget the conventional explanations, some version of union mismanagement of assets or unanticipated bear markets.

### **Star Tribune**

# **WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION**

## **Greece, lenders at odds over loose ends in reform programme**

May 31, 2016, By Renee Maltezos

Greece and its international lenders are inching towards an accord over a set of extra measures demanded from Athens to qualify for vital rescue funds, officials with knowledge of the negotiations said on Tuesday.

The two sides wrapped up the bulk of reforms needed for badly needed bailout cash last week, but left some loose ends which must be tied up before Athens gets 10.3 billion euros (\$11.48 billion) of sub-tranches by September.

### **Reuters**

## **Year's Best Indian Stock Climbs as U.K. Aid Seen for Tata Steel**

June 3, 2016, By Santanu Chakraborty and Swamy Afonso

Tata Steel Ltd. shares jumped to a one-month high on reports that the Indian steelmaker is negotiating for a British government loan of hundreds of millions of pounds for its U.K. operations.

The year's best-performing stock on India's benchmark index has rallied more than 60 percent from a February low of 211.15 rupees. Three-month calls with a strike price 5 percent above the company's shares rose 2.7 percent, while its shares climbed as much as 2.3 percent to 348.3 rupees, set for the highest level since May 3.

### **Bloomberg**

## **J.P. Morgan's James Dimon Warns on Possible Post-Brexit Job Losses**

June 3, 2016, By Tim Burke

J.P. Morgan Chase & Co. Chairman and Chief Executive James Dimon warned that the Wall Street bank could cut jobs in the U.K. and shift positions to elsewhere in Europe in the event of a vote to leave the European Union.

“If the U.K. leaves the EU, we may have no choice but to reorganize our business model here,” Mr. Dimon said at a J.P. Morgan town hall meeting for staff in Bournemouth, U.K. on Friday. “Brexit could mean fewer J.P. Morgan jobs in the U.K. and more jobs in Europe.”

[The Wall Street Journal](#)

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