



PRB PLANS

Good governance crucial to bringing investment management in-house

June 13, 2016, By Christine Williamson

Rock-solid support from pension fund boards of trustees, investment committees or whatever entity holds fiduciary responsibility is absolutely essential for internal investment management.

"Governance is critical," said Charles Thomas "Tom" Tull, chief investment officer of the \$25 billion Employees Retirement System of Texas, Austin.

Pension fund chief investment officers interviewed strongly agreed with Mr. Tull's statement, as did external governance experts.

Pensions & Investments

Mayor, pension boards on same page at hearing

June 13, 2016, By Mike Morris

Mayor Sylvester Turner and the leaders of the city's three pension boards made clear to a visiting group of state lawmakers on Monday that they agree a fix to the city's growing pension burden must be found, perhaps by the mayor's deadline of year's end.

The state House committee on pensions set up camp at City Hall Monday to hear testimony from the mayor, his rival in last fall's mayoral contest, Bill King, city workers and various pension experts about the challenges presented by Houston's retiree benefits.

Houston Chronicle

Mayor Turner promises a solution to Houston pension woes before lawmakers return in January

June 13, 2016, By Kimberly Reeves

Lawmaker-turned-mayor Sylvester Turner has given his solemn promise to the House Pensions Committee he will resolve Houston's ongoing pension fund woes this year without resorting to shifting away from the current defined benefit plan.

Houston City Council chambers were crowded today with union members as Turner outlined his commitment to bring down the long-term liability of the three pension funds in order to bring stability to the city's budget while maintaining reasonable retirement benefits. Turner pegs the current liability of the funds at \$5.6 billion, or 35 percent of the cost of payroll for city police, firefighters and employees for the coming year.

Quorum Report

Dallas Police & Fire collars 2 for global equity

June 15, 2016, By Meaghan Kilroy

Dallas Police & Fire Pension System hired Boston Partners and Manulife Asset Management to run an initial \$80 million each in global equity as part of the pension fund's restructuring of its global equity portfolio, a recently released board meeting summary shows.

The pension fund also terminated Fidelity Institutional Asset Management from a global equity strategy totaling about \$114 million.

[Pensions & Investments](#)

TEXAS ECONOMIC INDICATORS

Governor's office fields economic development questions

June 15, 2016, By Bill Hethcock

As part of our special report on corporate relocation and expansion, the Dallas Business Journal submitted several questions to Texas Gov. Greg Abbott and the Office of the Governor. Here was the response from the governor's office:

What is the Dallas-Fort Worth area's role in the statewide economic development landscape? The Dallas-Fort Worth area is representative of Texas's economic diversity and is a large part of why Texas has continued to attract businesses and create jobs despite the downturn in oil. From technology to manufacturing to financial services, the Dallas-Fort Worth metroplex has seen enormous growth due in large part to its quality workforce, superior logistics and low cost of conducting business.

[Dallas Business Journal](#)

Texas banks face increasing risks from low oil prices: Dallas Fed

June 16, 2016, By Ann Saphir

Banks in Texas and parts of Louisiana and New Mexico are setting aside more money to guard against loan losses as the energy companies they serve struggle amid still-low oil prices, the Dallas Federal Reserve Bank said in a report Thursday.

Banks in the district supervised by the Dallas Fed are also getting additional scrutiny for their commercial real estate loans, the regional Fed bank's president, Robert Kaplan, said in the report, which characterized commercial real estate as an "emerging area of concern."

[Reuters](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Pennsylvania House passes pension-reform measure

June 14, 2016, By Karen Langley and Angela Couloumbis

Last week, it was the state's infamously restrictive alcohol laws that got an unexpected revision. This week, it was the pension system's turn.

On Tuesday, the House easily passed a bill that would change the retirement benefits for future state and school workers. Gov. Tom Wolf said the measure could save the state billions of dollars and urged the Senate to consider it.

Together, the passage of both bills carried a potentially bigger message: In two weeks, lawmakers had worked at a surprisingly swift pace to tackle major issues that complicated last year's budget talks and could have become roadblocks as talks intensify on next year's spending plan.

[Pittsburgh Post-Gazette](#)

Senate to debate Puerto Rico debt bill: McConnell

June 14, 2016, By Richard Cowan

The U.S. Senate this month will debate legislation that passed overwhelmingly in the House of Representatives and aims to give Puerto Rico some relief from its \$70 billion debt, Senate Majority Leader Mitch McConnell said on Tuesday.

McConnell's announcement came after some House members briefed fellow Republicans in the Senate on the content of the legislation, which would establish a federal oversight board to restructure Puerto Rican debt.

[Reuters](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Could Employer Retirement Plan Requirement Boost Savings?

June 10, 2016, By Kristen Ricaurte Knebel

Establishing a nationwide minimum-coverage requirement for retirement plans could be a path forward to helping Americans save adequately for retirement, according to new recommendations from the Bipartisan Policy Center.

Such a mandate would require companies with 50 or more employees not offering retirement plans to automatically enroll workers into a retirement account, according to "Securing Our Financial Future: Report of the Commission on Retirement Security and Personal Savings," released June 9. The commission set out to address issues with retirement savings, including the lack of employer-sponsored retirement plans and retirement plan leakage.

[Bloomberg BNA](#)

Real estate investors passing over U.S. to find good deals in Europe

June 13, 2016, By Arleen Jacobius

With only pockets of competitively priced investment opportunities in the U.S., real estate investors are roaming Europe looking for bargains.

U.S. institutional investors are moving more capital across Europe than ever before.

For example, officials at the \$187.4 billion California State Teachers' Retirement System are selling off domestic real estate in favor of properties in Europe. In May, the \$34.3 billion Illinois Municipal Retirement Fund, Oak Brook, launched a search for a core open-end European real estate fund manager for a \$100 million account.

[Pensions & Investments](#)

Low returns, fee scrutiny drive rise of pension fund insourcing

June 13, 2016, By Christine Williamson

An unexpected alignment of factors has made now a very good time for pension funds to insource some or more of their investment portfolios.

The combination of a low-return environment for the foreseeable future, far closer - and often more public - scrutiny of money manager fees and a need to better control investments is fueling interest in bringing assets in-house for the first time for some plans and expanding internal management for experienced investment departments.

[Pensions & Investments](#)

Public pension funds seek infrastructure as market heats up

June 13, 2016, By Robin Respaut

The California Public Employees Retirement System recently bought a stake in a private Indiana toll road with a troubled history, one sign of how popular infrastructure investments have become among U.S. pension funds.

In May, CalPERS bought a 10 percent stake of the road's concession, representing the first U.S. transportation investment for the nation's largest public pension fund. The Indiana Toll Road had been acquired out of bankruptcy in 2015 for about 50 percent more than its original 2006 price by a fund made up of more than 70 U.S. pension plans.

[Reuters](#)

U.S. Stocks Retreat Amid Tepid Growth Outlook, Brexit Concerns

June 15, 2016, By Joseph Ciolli and Oliver Renick

U.S. stocks erased gains in a late-day collapse after the Federal Reserve held pat on interest rates, with mixed American growth and a sluggish global economy heightening concern the effectiveness of central-bank stimulus has reached its limits.

Equities seesawed post-meeting and during Fed Chair Janet Yellen's press conference, maintaining gains before caving in the final minutes, spurred by falling crude-oil prices and tumbling Treasury yields which weighed on financial shares.

[Bloomberg](#)

The coming train wreck for older workers

June 16, 2016, By Richard Eisenberg

Uh-oh. American workers aged 50 or older think there's nearly a 1 in 2 chance they'll still be working at 70 but many employees who expect to work longer are exactly the ones who'll likely be least able to do so.

That's the upshot of the new, frightening (for employees and employers) 2015/2016 Global Benefits Attitudes Survey by Willis Towers Watson, a global benefits advisory consultant. The firm surveyed 5,083 U.S. employees at large companies, as well as roughly 25,000 employees in 18 other countries.

[Market Watch](#)

Union retirees battle for pension payouts, possible bailout: What's at stake?

June 16, 2016, By Stephen Koff

When you walk past the 45-story skyscraper on Cleveland's Public Square, look up and think of Walter Overstreet. There he was in the early 1980s, framing what was to become the Standard Oil of Ohio headquarters and was later known as the BP Tower -- the third tallest building in Cleveland -- and doing work that tries the muscles of most men. He worked at heights that would test anyone's nerves.

A journeyman iron worker from Hinckley earning about \$50,000 in good years, Overstreet also helped build what is now Progressive Field, a control tower at Cleveland Hopkins Airport and scores of other buildings around northeast Ohio. It was good work, though it put him at the mercy of the outdoor elements, and he retired at age 55.

[Cleveland.com](#)

Teamsters Local 20 president steps down amid internal probe

June 17, 2016, By Jon Chavez

The top Teamster official in northwest Ohio, Bill Lichtenwald, has been under fire for 10 months by a review board investigating financial impropriety by an Ohio unit and is resigning effective June 30.

Mr. Lichtenwald is Teamsters Local 20 president. He recently has resigned from or soon will step down from three other posts associated with the union.

[Toledo Blade](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Cameron Says Vote to Leave Would Risk Pensions as Some Polls Show Momentum for Brexit

June 12, 2016, By Jason Douglas

U.K. Prime Minister David Cameron sought to inject fresh energy into his campaign to keep Britain in the European Union, after some recent polls suggested momentum was growing for the campaign to leave the bloc ahead of a referendum this month.

Mr. Cameron's intervention Sunday came after two polls put the pro-leave campaign in the lead ahead of the June 23 vote, although the majority of surveys still give the pro-EU side a slight advantage.

[The Wall Street Journal](#)

Trudeau's Push to Expand Pensions Divides Canada's Provinces

June 15, 2016, By Josh Wingrove

Canada's most populous province is willing to water down its demands in hopes of reaching a deal to expand the national pension plan, with Prime Minister Justin Trudeau's Liberals facing resistance in their bid to increase payroll taxes.

Finance Minister Bill Morneau and his provincial counterparts meet Monday in Vancouver to try and reach agreement on how to enhance the C\$278.9 billion (\$215.9 billion) Canada Pension Plan. Federal officials, speaking on condition of anonymity, say talks progressed this week and the chance of a deal is roughly even.

[Bloomberg](#)

Greece Gains Fresh Loans From Eurozone Fund

June 17, 2016, By Viktoria Dendrinou

Senior officials from eurozone finance ministries agreed Friday on a disbursement of fresh loans to Greece worth some 7.5 billion (\$8.4 billion), bringing to a conclusion a protracted review of the country's bailout and ensuring the country doesn't default to its creditors later this summer.

The officials, who make up the board of directors of the European Stability Mechanism, the eurozone bailout fund, agreed to disburse the next slice of financial aid after Athens completed a set of outstanding economic overhauls it had promised to undertake.

[The Wall Street Journal](#)

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