



Weekly Clips, November 18, 2016  
Texas Pension Review Board  
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## **PRB PLANS**

### **State lawmaker criticizes Dallas mayor for failing pension fund**

November 10, 2016, By Fox4News.com Staff

The state lawmaker in charge of pensions says he is deeply concerned about the hemorrhaging Dallas Police and Fire Pension Fund and is calling on the mayor to take responsibility for the problem.

The chair of the Texas Pensions Committee called Dallas Mayor Mike Rawlings out for not offering any city money to prop up the failing system. FOX 4 was at the state capital last week when Rawlings warned lawmakers the pension crisis might force his city into bankruptcy.

#### **Fox4News**

### **State rep: Everything on the table for Dallas Police and Fire Pension fixes if city, system fail to agree**

November 11, 2016, By Tristan Hallman

The chairman of the Texas House pensions committee said Friday he can't rule out moving Dallas police and firefighters away from a pension plan and toward a defined contribution retirement plan.

Such a plan would mean the city would have to only pay in a promised amount of money to a worker's retirement account. Actual benefits might not be guaranteed.

#### **Dallas News**

### **State Leader Tells Dallas to Max Out Credit to Fix Public Safety Pension**

November 11, 2016, By Ken Kalthoff

The State Representative who leads the House Pension Committee told Dallas Friday to max out its credit to fix the ailing Police and Firefighters Pension Fund.

City leaders said it shows how dire the problem has become.

"This is a tipping point for our city, how we're going to fix this pension," said City Council Member Jennifer Gates, who is also a member of the Police and Fire Pension Board.

#### **NBC DFW**

### **Rep. Dan Flynn Slams Mayor Mike Rawlings' Handling of Pension Problem**

November 11, 2016, By Tim Rogers

This would be funny if it weren't so serious. You know, if a billion dollars weren't at stake and if the city of Dallas weren't looking at the possibility of declaring bankruptcy.

Dan Flynn is the chairman of the Texas House of Representatives Pensions Committee. Today he sent a letter to Mike Rawlings. Read this thing. It is a strongly worded rebuke of how the city of Dallas has done business for at least a decade. In particular, Flynn calls out Mike Rawlings for suggesting that the state should help clean up the mess we made.

## [DMagazine](#)

### **Houston Police Department pension concerns**

November 14, 2016, By Andy Cerota

"It's a violating feeling," Renee Lopez said.

When her apartment was broken into, she called police.

They took the report and I never really heard back from them again,+Lopez said. KPRC has learned that a lack of followup on burglary and theft investigations could become the new normal in the wake of pension reform.

Many of the officers eligible for retirement work within the various investigative divisions at Houston Police Department.

## [Click2Houston](#)

### **Judge halts vote meant to help failing Dallas Police and Fire Pension Fund**

November 14, 2016, By Tristan Hallman

A state district judge has halted a vote that is meant to help rescue the failing Dallas Police and Fire Pension Fund.

Judge Ken Molberg on Sunday granted a last-minute temporary restraining order to halt the police-and-fire plan amendment election, which was supposed to start Monday and end two weeks later. Molberg has scheduled an injunction hearing for Thursday afternoon.

## [Dallas News](#)

### **Lawsuit puts pension fund vote on hold**

November 14, 2016, By Tanya Eiserer

Out on his ranch, Joe Bob Betzel is a world away from Dallas.

But the latest problems of the Dallas Police and Fire Pension Fund are a clear and present concern for the retired Dallas firefighter.

Anybody's that retired has to be concerned because they're talking about it becoming bankrupt in the next 10 or 15 years,+said Betzel, who retired six years after 28 years as a frontline firefighter.

## [WFAA](#)

### **Underfunded Public Pension Systems: Dallas Isn't The Only One**

November 14, 2016, By Sam Baker

A vote scheduled to begin Nov. 14 to help rescue the failing Dallas Police and Fire Pension Fund instead has been put on hold after five cops and firefighters filed a lawsuit.

The plaintiffs in their suit said they don't favor benefit cuts proposed to help the Dallas Police and Fire Pension Fund. A recent report found it's now on track to become insolvent within 12 years unless changes are made. But this kind of problem isn't unique to Dallas.

## [KERA News](#)

### **Vote on Dallas PD-Fire pension cuts halted by judge**

November 15, 2016, By Fox4News.com Staff

A judge has suspended a vote on benefit cuts at the Dallas Police and Fire Pension System because a lawsuit claims the pension board violated its authority.

The vote set for this week and next was set to s

ave the pension system \$1 billion and get it on the path toward survival. The two sides were set to go before a judge on Thursday to iron out the issue. But late Tuesday, the pension board attorneys filed for continuance. Any ruling by the judge is now indefinitely delayed.

## [Fox4News](#)

### **Judge issues temporary restraining order for Dallas Police & Fire pension reform vote**

November 15, 2016, By Meaghan Kilroy

Participant voting on a pension reform plan for the \$2.8 billion Dallas Police & Fire Pension System is on hold after a temporary restraining order was issued by in Dallas County district court.

Judge Ken Molberg issued the restraining order Sunday.

The restraining order was requested by five members of the police and fire departments who are suing the retirement system for maintaining a board of 11 to 12 trustees, allegedly violating state law that calls for seven trustees. Their lawsuit was filed Sunday.

## [Pensions & Investments](#)

### **Mayor Turner: We are marching to Austin together to pass pension deal**

November 15, 2016, By Scott Braddock

Mayor Sylvester Turner is a man on a mission. The mission: Solvency.

Surrounded by his financial and legal advisors in his slightly cluttered office on the third floor of Houston City Hall, the Democratic veteran of the Legislature who found ways to be an effective lawmaker under very different Republican Speakers of the *Texas House* – Tom Craddick and Joe Straus . spoke at length about the details of his plan to fix the city's pension problems.

## [Quorum Report](#)

### **Dallas police and firefighters will now wait even longer to vote on pension benefit cuts**

November 16, 2016, By Tristan Hallman

A judge on Wednesday granted the Dallas Police and Fire Pension more time to prove it was legally allowed to expand the size of its board of trustees during the last 20 years.

Pension officials say they were caught off guard Monday by a lawsuit that was intended to stop members from voting on proposed benefit cuts. The lawsuit, filed by five police officers and firefighters, alleges the pension's board of trustees has been operating illegally since it began gradually expanding its board to 12 trustees from the original seven-member board created by state law.

### [Dallas News](#)

#### **Lawmakers call on Dallas officials to fix municipal pension mess**

November 17, 2016, By Kimberly Reeves

House Pensions Chairman Flynn slams Dallas Mayor Rawlings' comment that bankruptcy could be an option: "We don't do that in Texas. We solve our problems."

House members on both sides of the aisle reaffirmed a commitment to first responders but were adamant the City of Dallas needs to step up and fix its pension problems.

This week's meeting of the House Pensions Committee was focused on what will likely be its easiest charge: the financial solvency of the state's supplement to law enforcement and correctional officer pensions. But first, Chairman Dan Flynn, R-Van, reiterated the committee's concerns about Mayor Mike Rawlings' comment that bankruptcy could be one option to address the unfunded liability in the city fire and police pension funds.

### [Quorum Report](#)

## **TEXAS ECONOMIC INDICATORS**

#### **Forbes: Texas ranks 4th on 'Best States for Business' list**

November 16, 2016, By Mike D. Smith

As the second-largest state economy in the U.S., Texas ranks fourth among "Best States for Business," according to analysis by Forbes Magazine.

Forbes looked at 40 data points for each state in general categories including business and labor costs, quality of life, regulatory environment.

Texas' \$1.6 trillion economy is second only to California in size but has experienced among the fastest rates for economic growth and job growth in recent years and has a top overall economic climate. Other bright spots include being home to one-tenth of the country's 1,000 largest public and private companies, having the greatest amount of business startup activity and the "cost of doing business" in the state is 10 percent lower than the national average, according to Forbes.

### [Houston Chronicle](#)

#### **Texas' Wolfcamp shale reserve may be largest ever assessed in U.S.**

November 17, 2016, By Daniel J. Graeber

With renewed focus on Texas shale oil deposits, regional bankers said they were planning a regional joint economic conference to discuss a new energy reality.

The Federal Reserve Banks of Dallas and Kansas plan to hold their first-ever joint energy conference in Houston on Friday. With featured speakers Adam Sieminski, the head of the U.S. Energy Information

Administration, and Martin Craighead, the CEO of oilfield services company Baker Hughes, the bankers said the focus of the meeting will be "on the key drivers of recent oil price movements and their implications for the energy industry, the financial sector and the broader economy."

[UPI](#)

## **LEGAL PROCEEDINGS, LAWS & REGULATIONS**

### **Arizona Supreme Court says judicial pension changes illegal**

November 11, 2016, By Associated Press

The Arizona Supreme Court on Thursday ruled that it was unconstitutional for the Legislature to change the amount active judges have to pay into their state pension plans and the yearly increases they receive upon retirement.

The ruling could immediately cost state retirement plans for judges and law enforcement officers about \$220 million in refunds while increasing the unfunded liabilities of the plans by \$1.3 billion.

[KTAR](#)

### **Appeals court affirms COLA changes at Chattanooga Fire & Police Pension Fund**

November 11, 2016, By Rob Kozlowski

Chattanooga (Tenn.) Fire & Police Pension Fund's cost-of-living-adjustment changes in 2014 have been affirmed by a federal appeals court.

The city changed the \$230 million pension fund's COLA in 2014 to a lower, variable annual increase from the fixed 3% annual increase the pension fund had previously instituted in 2000.

### **Pensions & Investments**

#### **3 new treasurers chosen; 4 state amendments pass**

November 14, 2016

Last week's election resulted in three new state treasurers who have oversight of retirement programs in their states and the passage of amendments in four states that will have an effect on state pension funds and investment options. Referendums in two cities also passed.

Republican Dale Folwell won the vote to be North Carolina's next treasurer, a job that includes serving as sole trustee of the \$87.6 billion North Carolina Retirement Systems, Raleigh.

### **Pensions & Investments**

#### **Supreme Court ruling to cost public-safety pension trust \$220M in refunds to members**

November 14, 2016, By Craig Harris

A state Supreme Court ruling will require refunds to elected officials and public-safety officers who since 2011 were required to pay more for their pensions, with local governments likely to cover the projected \$220 million cost to an already fragile public-pension trust fund.

The divided court upheld a Maricopa County Superior Court ruling that found a 2011 pension-reform law was unconstitutional. Specifically, it overturned provisions in the law that increased employee contributions to their own retirement and curtailed certain benefit increases. The law was intended to improve the financial health of the Public Safety Personnel Retirement System trust fund.

### [AZCentral](#)

#### **Financial health of Nevada's pension fund for public employees improves**

November 17, 2016, By Sean Whaley

The financial health of Nevada's public employee pension improved in fiscal year 2016, with the funded ratio increasing to 74.1 percent from 73.2 percent the prior year.

The actuarial valuation report for the Public Employees Retirement System (PERS) was reviewed and approved Thursday by the seven-member board that oversees the plan. The report was prepared by Segal Consulting, an independent actuary contracted by PERS to do the analysis.

### [Las Vegas Review-Journal](#)

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

#### **Hedge-Fund Love Affair Is Ending for U.S. Pensions, Endowments**

November 15, 2016, By John Gittelsohn and Janet Lorin

About five years ago, Kentucky started investing some of its public-employee pension money with hedge funds. Sure, fees were high but the funds came with the lure of high returns and could serve as a buffer if the market tanked.

By early November, Kentucky officials had had enough. They voted to start yanking \$800 million from hedge funds including Pine River Capital Management and Knighthead Capital Management.

### [Bloomberg](#)

#### **America's Biggest Pension Fund Just Revealed What It Pays Its PE Money Managers**

November 15, 2016, By Reuters

The California Public Employees Retirement System said on Monday it shared about 14% of the profit made on private equity investments in the past year with firms managing the money.

The announcement by the nation's largest public pension fund marks a milestone toward greater fee disclosures for private equity assets, which make up \$26.4 billion or almost 9% of the total fund. The move is sure to be noticed by other state and city pension funds.

### [Fortune](#)

#### **Investment returns surge at New Mexico pension fund**

November 15, 2016, By Associated Press

Managers of New Mexico's public retirement fund for educators say investment returns surged by 3.7 percent during the three-month period ending in September.

A quarterly investments report released Monday by the New Mexico Education Retirement Board shows its pension assets climbed to an all-time high of \$11.7 billion at the end of September.

### [The Washington Times](#)

#### **Puerto Rico warns of cash crunch when debt moratorium ends**

November 17, 2016, By Danica Coto Associated Press

Puerto Rico's government warned in a liquidity report made public on Wednesday that it will run out of money in less than three months as the U.S. territory pushes to restructure nearly \$70 billion in public debt.

The report notes that the island could be up to \$3 billion in the red as it faces a \$1.3 billion debt payment in February, when a temporary debt moratorium imposed earlier this year expires, and another \$934 million in bond payments due from March through June.

### [BG Daily News](#)

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

#### **Era of Low Interest Rates Hammers Millions of Pensions Around World**

November 13, 2016, By Timothy W. Martin, Georgi Kantchev and Kosaku Narioka

Central bankers lowered interest rates to near zero or below to try to revive their gasping economies. In the process, though, they have put in jeopardy the pensions of more than 100 million government workers and retirees around the globe.

In Costa Mesa, Calif., Mayor Stephen Mensinger is worried retirement payments will soon eat up all the city's cash. In Amsterdam, language teacher Frans van Leeuwen is angry his pension now will be less than what his father received, despite 30 years of contributions. In Tokyo, ex-government worker Tadakazu Kobayashi no longer has enough income from pension checks to buy new clothes.

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

#### **Canada unfazed by U.S. competition for infrastructure funds**

November 14, 2016, By Matt Scuffham

Canada is not worried about competing with the United States to draw private investment in infrastructure, Prime Minister Justin Trudeau said on Monday, adding that the country's long-term stability is attractive to investors.

Canada's government said this month it would set up an infrastructure bank and give it access to C\$35 billion (\$26 billion) to help fund major projects. It is also engaged in a charm offensive to attract private investors.

### [Reuters](#)

## **China allows foreign hedge funds to enter interbank bond market**

November 18, 2016

A total of 419 institutions and fund products completed registration to enter China's domestic interbank bond market in October, including fund products under global hedge fund Bridgewater Associates, official data showed.

The seven hedge fund products are all under Bridgewater Associates LP, a U.S. hedge fund firm, according to a recent statement on the website of China Foreign Exchange Trading System & National Interbank Funding Center (CFETS).

### [Reuters](#)

## **Bond Squeeze 'Bleeding to Death' \$28 Billion Pension Fund**

November 17, 2016, By Joe Mayes

France's second-largest pension fund is at risk of "bleeding to death" if government bond yields remain low and it's unable to increase investments in riskier assets, according to the company that manages the fund.

"Our allocation to bonds is absolutely sub-optimal," Philippe Desfosses, chief executive officer of ERAFP, said in an interview at a conference on Monday. His firm oversees the 26 billion-euro (\$28 billion) RAFFP fund for public servants. Desfosses wants France's government to cut the minimum allocation to bonds in the trust's investment mandate.

### [Bloomberg](#)

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