



PRB PLANS

Amid municipal pension crises, where does Austin fall?

December 17, 2016, By Elizabeth Findell

As crises have gripped the municipal pensions in Dallas and Houston, prompting threats of bankruptcy and management shake-ups, the phones for Austin's pension systems have been ringing more often.

"It's kind of been an ongoing discussion," said Christopher Hanson, director of Austin's Employees Retirement System. "What's going on in Dallas has cast a shadow on other public retirement systems in the state."

Austin's pension administrators say the system here is OK - or, at least, more OK than the systems in other Texas cities - despite warnings from observers of mounting debt.

[myStatesman](#)

Proposed changes to Dallas Police and Fire Pension benefits rejected

December 17, 2016, By WFAA Staff

The proposed changes to Dallas Police and Fire Pension benefits have been rejected by a significant margin.

Voting in the 2016 plan amendment election ended Saturday at 12 p.m. producing the following results on three ballot items.

Ballot Item 1 . Plan Changes Related to Benefits . **NOT PASSED** . 45.0% In favor, 55.0% Not in favor

Ballot Item 2 . Plan Changes Related to Service Trustee Board Positions . **PASSED** - 66.9% In favor, 33.1% Not in favor

Ballot Item 3 . Requirements to Receive Credit for Additional Compensation Upon the Award of Back Pay . **NOT PASSED** - 64.8% In favor, 35.2% Not in favor

[WFAA](#)

Dallas Police And Fire Reject Cuts To Pension Benefits

December 17, 2016

Members of the Dallas Police and Fire Pension System rejected a proposed plan to cut pension benefits according to results posted on the system's website.

The DPFP voted against two out of the three proposed amendments that would cut benefits to help the system's financial troubles.

[CBS DFW](#)

Dallas' imperiled police, fire pension system's members reject benefit cuts

December 18, 2016, By Robert Wilonsky

The members of Dallas' imperiled Police and Fire Pension System voted overwhelmingly to reject proposed cuts to benefits, including cost-of-living adjustments and compensation related to back pay.

The vote, delayed by a lawsuit, wrapped up at noon Saturday, and the results weren't made public until the evening. They needed 65 percent to pass each item; the votes related to the proposed cuts didn't even come close.

Dallas News

Dallas police and fire members reject pension reform

December 19, 2016, By Meaghan Kilroy

Dallas police and firefighters rejected the \$2.3 billion Dallas Police & Fire Pension System's proposed benefit changes in a two-week election that ended Saturday.

Only 45% of members approved the changes; 65% approval was required.

The rejected changes included raising employee and employer contributions and reducing cost-of-living adjustments and DROP benefits.

Pensions & Investments

Dallas' pension woes are actually worse than you think

December 19, 2016, By Joe Nation

Dallas residents awoke last month to news suggesting that, because of pension costs, the city might be on the verge of bankruptcy. Dallas holds more than \$3.3 billion in debt for the Police and Fire Pension System, while the Employees' Retirement Fund for other municipal workers has reported that it is \$935 million in debt. Combined, this \$4.2 billion debt translates into \$4,800 per Dallas household.

After employees withdrew more than \$500 million from the city's Deferred Retirement Option Program, which a savings account provided to police officers and firefighters when they reach retirement eligibility, the city's Police and Fire Pension System reportedly asked for a \$1.1 billion lifeline to stay afloat. Here's the problem: The city's total pension debt, or the difference between its liabilities and assets, is probably closer to \$13 billion.

Dallas News

Dallas judge allows monthly withdrawals from police, fire pension fund

December 20, 2016, By WFAA.com Staff

A judge made a decision Tuesday to allow retired Dallas police and firefighters to make small monthly withdrawals from their pension fund.

Judge Tonya Parker's decision scales back on a ruling made earlier this month by the pension board to halt all withdrawals from the fund.

The decision doesn't affect mass withdrawals from the pension fund -- something that has been the source of controversy for weeks.

WFAA

Families await Dallas Police and Fire Pension Board decision

December 21, 2016, By Fox4News.com Staff

Current and former Dallas police and firefighters are still anxiously waiting to see what happens next with their retirement accounts.

A judge has cleared the way for limited monthly payments from an account known as DROP, but the pension board has the final say on what happens with the fund.

Dallas Police Officer Mike Csaszar's brother Alexander retired from DPD in 2014 after 29 years of service. He said the freeze on drop withdrawals has thrown his entire family into a financial crisis.

[Fox4News](#)

Number of retiring Texas officers is up as pension system changes

December 21, 2016, By Claire Ricke

The number of Austin, Houston, and Dallas police officers retiring is up from the past two years.

So far 57 Austin officers have retired from the force in 2016. There were 46 last year and 37 in 2014.

Austin isn't the only city seeing a change. Both Houston and Dallas Police Departments are reporting a higher than normal retirement rate.

[KXAN](#)

Dallas pension system hires PR firm as investors eye January meeting

December 22, 2016, By Jon Prior

Dallas' troubled Police and Fire Pension System has hired public relations firm FleishmanHillard as the public and the bond market are taking a growing interest in a funding gap that has thrown it into crisis.

The contract agreed to before a recent board meeting comes at a time of intense public interest for an organization that does not have an employee dedicated to media relations, DPFPP Executive Director Kelly Gottschalk said in a prepared statement Thursday.

[Dallas Business Journal](#)

Dallas is tired of the chest beating on both sides of Police and Fire Pension debate; it's time to compromise

December 22, 2016, By Jason Villalba

As a child of the '80s, I spent a fair amount of time watching films of little substance but great drama. One of my favorites was *Footloose*, starring a young Kevin Bacon.

In a seminal scene, Bacon's character, Ren, challenges the local tough to a match of farm-tractor chicken. As they approach each other, Ren realizes his shoelace is caught on tractor's throttle, making it impossible for him to retreat from the challenge. The local boy plows forward, not realizing that his opponent cannot relent.

[Dallas News](#)

Dallas police retirees form new association to speak out on pension issues

December 22, 2016, By Tristan Hallman

As the police and fire pension system hurtles toward insolvency, a group of retired Dallas police officers on Thursday formed a new association.

The Dallas Police Retired Officers Association will speak out on pension issues, lobby the state Legislature and work to help retirees in need.

Former Sgt. Pete Bailey was named president of the group during a closed-door gathering of more than 150 retirees.

[Dallas News](#)

Setting the record straight on the Dallas Employees' Retirement Fund

December 22, 2016, By Carla D. Brewer

It was both surprising and disappointing to read a recent column by a California professor that compared the Employees' Retirement Fund of the city of Dallas to a Ponzi scheme. The ERF serves as the pension fund for the city's nonuniformed employees and should not be confused with the Dallas Police and Fire Pension System. The column's claims about the ERF are based on a series of assumptions and opinions that are at odds with facts as we see them and not supported by ERF's track record.

First, it is important to note that the ERF is 80.4 percent funded. The Dallas City Council, the ERF board of trustees and Dallas voters recently approved changes to the plan that will save \$2.15 billion over the next 30 years by adjusting benefits for employees hired on or after Jan. 1, 2017. These adjustments are based on sound actuarial assumptions and a conservative outlook that takes current market conditions and increasing longevity into account.

[Dallas News](#)

Top commanders among surge in HPD retirements

December 22, 2016, By Mike Morris

A dozen of the Houston Police Department's top commanders were among 123 officers who filed paperwork this week indicating they plan to retire in the first half of next year, senior City Hall and HPD sources said, a sign that a rumored exodus driven by unease about possible pension reforms may be underway.

As of last month, the department's retirements for 2016 were on pace with the attrition rates seen in recent years. However, the number of officers now expected to leave by July 1 . the earliest a new pension structure would take effect, if Mayor Sylvester Turner can get the proposal passed at the Legislature . far outstrips the typical volume of about 50, HPD spokesman John Cannon said.

[Houston Chronicle](#)

TEXAS ECONOMIC INDICATORS

Leisure and hospitality drives Texas job growth in November

December 16, 2016, By Jill Cowan

The Texas economy added 20,900 in November, extending a string of moderate monthly job gains and bringing the total for the year so far to 210,800, the Texas Workforce Commission reported on Friday.

The state has added jobs in 19 of the last 20 months.

Meanwhile, the state's seasonally adjusted unemployment rate declined slightly to 4.6 percent from 4.7 percent in October. That was the same as the national number -- which decreased from 4.9 percent in October.

[Dallas News](#)

Rines: Houston's economic success isn't just about energy

December 21, 2016, By Sam Rines

It appears Houston has survived. It is bewildering to some observers how well the local economy coped with the downturn in oil. Certainly, the headlines would convince most people that the Houston economy was at a standstill or even freefall. But that is not true.

Houston's skyline is dotted with buildings bearing the names of energy companies, but - remarkably - the growth of jobs in Houston has not come from oil. Before the Great Recession, Houston area employment topped out in August 2008. Relative to the rest of the country, Houston was spared the brunt of the downturn, and the economy recovered quickly.

[Houston Chronicle](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Treasury approves first MPRA application for Iron Workers Local 17

December 16, 2016, By Hazel Bradford

Iron Workers Local 17 Pension Fund, Cleveland, on Friday received permission from the Treasury Department to cut benefits for participants, including retirees, as part of a proposed rescue plan.

It is the first application approved by Treasury under the Multiemployer Pension Reform Act of 2014, which allows trustees of deeply underfunded pension plans that would be insolvent within 15 years from the time the plan is implemented to reduce benefits after they have tried all other means.

[Pensions & Investments](#)

DOL rules clear cities to start private-sector retirement programs

December 19, 2016, By Hazel Bradford

The Department of Labor on Monday issued final rules allowing some cities and counties to set up payroll-deduction IRA accounts for private-sector workers who do not have access to workplace retirement savings programs.

The rules, which closely track ones issued Aug. 25 for states, remove concern over being pre-empted by federal regulators by clarifying that such programs would not be covered by ERISA.

[Pensions & Investments](#)

N.Y. pension fund manager, brokers charged in pay-to-play scheme

December 21, 2016, By Nate Raymond and David Ingram

U.S. prosecutors on Wednesday accused a former portfolio manager at New York state's retirement fund, the third largest in the United States, of steering \$2 billion in trades to two brokerage firms in exchange for gifts such as cash, drugs and prostitutes.

Manhattan federal prosecutors announced charges centered on the New York State Common Retirement Fund, which was shaken by another pay-to-play scheme a decade ago that sent the state comptroller to prison and sent shock waves through the pension fund world.

[Reuters](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Denial not a solution for Oregon's public employees retirement system

December 17, 2016

Outgoing Oregon Investment Council chairwoman Katy Durant sent a plea to Gov. Kate Brown and the Legislature, asking them to make substantial changes to the Public Employees Retirement System, sooner than later.

Durant, who last week ended her 11-year tenure with the investment council, told the Statesman Journal Editorial Board that the state is in deep denial of the magnitude of problem at PERS.

[Statesman Journal](#)

Analysis: Public pension fund faces test after 2 weak years

December 18, 2016, By Jeff Amy . Associated Press

Lawmakers, county supervisors, mayors, school superintendents and college presidents should hope that the run-up in the stock market that began after Donald Trump's election continues.

Because if it doesn't, Mississippi's Public Employees Retirement System may be asking agencies to contribute more to make up the public pension fund's deficit. That's because, after two poor years of market returns, the \$25 billion pension fund is no longer on track to meet its long-term goals. In fact, under PERS rules, if the fund doesn't recover by this time next year, the board is supposed to seek higher contribution levels.

[The Washington Times](#)

California public pension system to sell all tobacco stocks

December 19, 2016

The California Public Employees' Retirement System decided Monday to sell its last \$550 million worth of tobacco-related investments nearly two decades after trading away the bulk of them.

In a 9-3 vote, the CalPERS investment committee disregarded the advice from its own financial advisers

who recommended reversing a sell-off of tobacco stock that was approved in 2000, which has cost the system more than \$3 billion in lost earnings.

[KCRA](#)

CalPERS committee approves cutting rate of return to 7% over 3 years

December 20, 2016, By Randy Diamond

A key CalPERS committee approved a plan Tuesday to reduce the pension fund's rate of return to 7% over a three-year period from the current 7.5%.

The recommendation came Tuesday at a meeting of the plan's finance and administration committee.

The plan is being fast-tracked and the full CalPERS board is expected to approve the plan on Wednesday.

[Pensions & Investments](#)

Hedge Fund Winners and Losers Emerge as Year Ends on Better Note

December 20, 2016, By Katia Porzecanski, Nishant Kumar, and Bei Hu

This was the year to *ridicule* hedge funds. Pension funds, politicians, Warren Buffett, even hedge fund managers themselves -- they all had something to say about the disappointing performance, high fees and market saturation.

Well-known managers from Ray Dalio to John Paulson saw performance on their main funds range from flat to double-digit losses, while some distressed-debt investors like Jason Mudrick benefited from the rally in commodities prices. Strategies focused on macro trends and equity hedges -- which have seen returns crimped by swollen stock-market valuations and ultra-low interest rates -- produced the worst returns.

[Bloomberg](#)

City Hall, public safety unions end 2016 at loggerheads on pensions

December 21, 2016, By Nate Monroe

High-stakes negotiations between local police and firefighter unions and City Hall over the retirement packages for future employees are done for 2016, with no future sessions set in stone next year.

City officials hoped to squeeze in at least one more meeting with the local branch of the International Association of Fire Fighters before the end of the year but that never materialized, according to city and union officials.

[The Florida Times-Union](#)

Orange County discussing new asset allocation that would eliminate absolute return

December 22, 2016, By Arleen Jacobius

Officials at the \$13 billion Orange County Employees Retirement System, Santa Ana, Calif., are expected as early as Jan. 25 to discuss a new investment strategy that would eliminate the 14% absolute-return allocation, among other large changes.

The new strategy would create a new 22% allocation to real assets, a new 7.5% risk mitigation asset class and a new 2.5% opportunistic target. The pension fund's 10% real estate allocation and an 8% real-return allocation would also be eliminated in favor of new broader categories, according to spokesman Robert Kinsler and investment reports.

[Pensions & Investments](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Dombrovskis says Greek pension payout 'complicated' review talks

December 19, 2016, By EurActiv.com with AFP and Reuters

Greece's decision to give pensioners a one-off bonus has delayed the conclusion of its second bailout review but an agreement can still be reached in the coming months, EU Commission Vice-President Valdis Dombrovskis was quoted as saying on Saturday (17 December).

Greek Prime Minister Alexis Tsipras sparked a new row with Athens' European creditors last week after announcing handouts including a surprise one-off payout of "600 million to 1.6 million low-income pensioners and a sales tax break for islands sheltering thousands of migrants.

[Euractiv](#)

Bank of Japan caps momentous year with upgrade to outlook, policy on hold

December 20, 2016, By Bloomberg

The Bank of Japan closed a tumultuous year for monetary policy with an upgrade to its assessment of the economy while keeping its yield curve and asset purchase programs unchanged.

Following the board's first policy meeting since Donald Trump's election victory, the central bank forecast a moderate recovery trend to continue amid a pickup in exports, better business sentiment and resilience in private consumption. However, inflation expectations remain weak and risks to the outlook abound, ranging from developments in the Chinese and U.S. economies to Brexit and geopolitical uncertainties.

[Pensions & Investments](#)

German government ignores industry in revised pensions reform draft

December 23, 2016, By Barbara Ottawa

The German government has decided against most of the amendments that were proposed for the new second pillar reform law during an extensive consultation phase with considerable input from the German pension industry and other stakeholders.

The new **Betriebsrentenstärkungsgesetz** (final draft in German), which now has an unofficial abbreviation **BRSG+**, was presented to parliament on Wednesday.

[Investment & Pensions Europe](#)

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