



Weekly Clips, January 27, 2017
Texas Pension Review Board
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PRB PLANS

Pension problems trace back to lax leadership, lavish trips

January 19, 2017, By Brett Shipp

Four years ago, the Dallas Police and Fire Pension System billed itself as one of the premier in the country.

Today, the fund is going broke.

Accounts have been frozen, investments have failed, and taxpayers are being warned of a billion dollar bailout.

But few are discussing the actions of the man at the top of the pension system all those years, the man many say is largely responsible for the system's failures.

WFAA

Federal grand jury probes Dallas police and fire pension fund

January 20, 2017, By Steve Thompson

A federal grand jury is weighing evidence in a criminal case relating to Dallas' troubled police and fire pension fund, according to the fund's lawyers.

Federal investigators have been looking into the Dallas Police and Fire Pension System for at least a year. In April, FBI agents streamed into its headquarters to serve a warrant on an investment firm, CDK Realty Advisors, that managed many of the fund's investments and shared its building.

Dallas News

What Does the Future Hold for Houston's Pension Plans?

January 23, 2017, By Adam Doster

Maybe you've read the headlines about Houston's eye-popping pension liability, or heard about Mayor Turner's strategy to close the gap. If you're under 40, maybe you've asked yourself, what the heck is a pension, anyway? Below, we break down the issues impacting our city's public-employee retirement system, and explain how City Hall officials are hoping to send our workers into their golden years sustainably.

Houstonia

No deal. Pension mediation talks break off; lawsuit looming

January 25, 2017, By Tanya Eiserer

The Dallas City Council unanimously approved a resolution Wednesday laying the ground work for legal action against the failing Dallas Police and Fire Pension Fund.

News 8 has learned that four city council members will likely file a lawsuit against the pension system contending, among other things, that it is violating its fiduciary duties by agreeing to release money held in high-interest savings accounts known as DROP.

[WFAA](#)

Political, legal fight shaping up after Dallas Police and Fire Pension mediation fails

January 26, 2017, By Tristan Hallman

City leaders and Dallas Police and Fire Pension System officials fell short of an agreement to save the failing retirement system after hours of mediation this week.

Both sides still have time to bring a single solution to the state Legislature, which must approve any fix. But a pension spokesman said Wednesday that the talks have "all but collapsed," and it's much more likely that the stalemate will mean a political fight and more court battles lie ahead in the dynamic and desperate pension saga.

[Dallas News](#)

Blame game: Dallas city leaders, first responders fault each other for pension deal's collapse

January 26, 2017, By Tristan Hallman

Dallas police and firefighter associations blasted city leaders Thursday after negotiations to save their troubled pension system collapsed.

"The city of Dallas and its management has turned its back on us," said Dallas Police Association President Michael Mata. "We have been lied to. We have been conned. We have been misled."

[Dallas News](#)

Dallas leaders meet with state board to fix failing pension fund

January 26, 2017, By Fox4News Staff

Talks to save the Dallas Police and Fire Pension Fund are at a standstill, sending Dallas Mayor Mike Rawlings to Austin to explain to a state board why.

The council authorized its four members on the pension board to sue the pension system after mediation failed.

The pension has a nearly \$4 billion shortfall and could become insolvent in 10 years. Pension administrators say a lawsuit would strip retirees of their protected benefits.

[Fox4News](#)

As Dallas pension negotiations collapse, the fight shifts to Austin

January 26, 2017, By Charlotte Huffman and Jason Trahan

For months, city officials have sounded the alarm about impending financial doom over the Dallas Police and Fire Pension fund.

After months of bickering between city leaders and pension fund managers over how to fix the problem -- which bankrupt the city if left unresolved -- it's now up to Austin.

News 8 sat down with the lawmaker charged with melding the city's and the pension fund's interests and cobbling together a way forward. State Rep. Dan Flynn, R-Van, chairman of the House Pension Committee.

[WFAA](#)

Dallas Police, Fire Pension Reaches Boiling Point

January 26, 2017, By Ken Kalthoff

Dallas Mayor Mike Rawlings and leaders of the Dallas Pension Board faced off in Austin Thursday at a meeting with state pension regulators.

The fund is billions of dollars short for future liabilities with taxpayers on the hook for possible solutions.

"We have taken the position that the sacrifice has to be shared," Rawlings said. "We will protect the stable retirement of our police and fire employees without overburdening the taxpayers of Dallas."

[NBC DFW](#)

Pension fund fight moves to Austin

January 26, 2017, By Tanya Eiserer

Pat and Rolando Sanchez drove two and half hours north for the meeting in Austin.

Together they have 65 years as Dallas police officers.

They are fearful of what's going to happen to their pensions.

"We have worked for 30 and 35 years and now they're changing the rules," Pat Sanchez said.

[WFAA](#)

TEXAS ECONOMIC INDICATORS

Oil state Texas still facing some economic pressures

January 23, 2017, By Daniel J. Graeber

The Texas oil and gas industry stabilized during the latter half of last year, though there are secondary pressures remaining, an economist said.

Energy executives responding to a survey from the Federal Reserve Bank of Dallas said the outlook for 2017 had improved over last year. During the fourth quarter, state oil and gas production held relatively stable and measured indices showed gains in oil in particular.

[UPI](#)

'We're blessed': Dallas an island of economic strength amid Texas slowdown

January 25, 2017, By Maria Halkias

Get a group of retailers, real estate developers, lenders, brokers and economists in the same room and they end up with the same message:

Dallas-Fort Worth is an island of economic strength, and Texas is becoming more urban by the minute as people continue to move into the state's largest cities.

Dallas News

Comptroller: More growth likely for Brazos Valley

January 26, 2017, By Aimee Breaux

Texas Comptroller Glenn Hegar told Bryan-College Station businesses Wednesday that Brazos County and the state in general are poised for economic growth.

Hegar said during his keynote address at the Bryan-College Station Chamber of Commerce's Economic Outlook Conference that the diversity in Texas' economy helped the state endure drops in oil prices. His speech came after presentations by officials from Bryan-College Station governments and Texas A&M.

The Eagle

LEGAL PROCEEDINGS, LAWS & REGULATIONS

White House Action Puts Obama Retirement Rules in Limbo

January 24, 2017, By Sean Forbes and David B. Brandolph

The Department of Labor's fiduciary rule may have come to an impasse less than three days after President Donald Trump moved into the Oval Office.

White House Chief of Staff Reince Priebus instructed federal agencies Jan. 20 to freeze all pending regulations, an action that calls into question whether the fiduciary rule will move ahead as planned under former President Barack Obama. The rule requires financial advisers to act in their clients' best interest when giving retirement advice.

Bloomberg BNA

2 former Och-Ziff employees charged by SEC in alleged bribery scheme

January 26, 2017, By Christine Williamson

Two former Och-Ziff Capital Management employees were charged Thursday by the SEC with violations of the anti-bribery provisions of the Foreign Corrupt Practices Act in connection with an alleged bribery scheme they conducted while working for the alternative asset manager.

London-based Michael L. Cohen, executive managing director and head of European investing, and Vanja Baros, a private equity analyst, directed, caused and arranged for Och-Ziff Capital to pay tens of millions of dollars in bribes to government officials on the continent of Africa through agents,

intermediaries and business partners of Och-Ziff. The bribes were paid to secure and attempt to secure special access, special opportunities and preferential treatment for Och-Ziff in its pursuit of profitable business in Africa,+according to the SEC's suit filed in U.S. District Court in New York.

[Pensions & Investments](#)

J.P. Morgan sued for self-dealing in its 401(k) plan

January 27, 2017, By Greg Iacurci

J.P. Morgan Chase has been sued by a participant in its 401(k) plan for allegedly causing employees to pay millions of dollars in excessive fees through a scheme motivated by %self-interest.+

The plaintiff claims J.P. Morgan, as well as various board and committee members with oversight of the \$21 billion retirement plan, breached their fiduciary duties by, among other things, retaining proprietary mutual funds from the bank and affiliate companies for several years, despite the availability of nearly identical, lower-cost and better-performing funds.

[Pensions & Investments](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

PERA at risk of insolvency if another recession comes, director says

January 20, 2017, By Brian Eason

The financial footing of the state pension fund is increasingly precarious, board members learned in a Friday briefing, with the entire public retirement system now at risk of tipping into insolvency if the economy dips into another recession.

The situation is not nearly as dire as it was seven years ago, when Colorado's Public Employee Retirement Association raised retirement ages, cut benefits and upped taxpayer contributions, all to avoid the very real prospect of running out of money to pay retirees. But officials are considering possible moves to prevent another crisis.

[The Denver Post](#)

Contenders turning up heat for spot on S.F. fund board

January 23, 2017, By Randy Diamond

A hotly contested election for a seat on the San Francisco City & County Employees' Retirement System board is drawing attention to the role of pension trustees.

Herb Meiberger, whose term expires in February, is fighting to keep his spot on the seven-member board of the \$20.9 billion retirement system, where he has opposed hedge funds and other alternative investments. His rival for the seat, Al Casciato, says Mr. Meiberger is %an obstructionist+who has delayed investments and cost the system millions of dollars in potential investment earnings.

[Pensions & Investments](#)

Judge orders agency to release Nevada pension data

January 24, 2017, By Cy Ryan

A district judge has ordered the state Public Employees' Retirement System to release the names and other personal data of the more than 57,000 recipients of pension benefits.

District Judge James Wilson ruled Tuesday that the information is not confidential and approved the petition of the conservative Nevada Policy Research Institute that sought it.

[Las Vegas Sun](#)

Hedge funds outperform on risk-adjusted basis in 2016, longer periods — study

January 24, 2017, By Christine Williamson

On a risk-adjusted basis, 2016 hedge fund returns were better than those of equities and bonds, new research shows.

In the year ended Dec. 31, the risk-adjusted return expressed by the Sharpe ratio of the hedge funds in the Preqin All-Strategies Hedge Fund index was 1.45.

[Pensions & Investments](#)

CalSTRS' actuarial staff recommends lowering assumed rate of return to 7.25%

January 26, 2017, By Randy Diamond

CalSTRS' actuarial staff is recommending lowering the pension fund's assumed rate of return to 7.25% from 7.5% because of diminished market and inflation assumptions.

The recommendation is contained in agenda materials for the \$196.4 billion defined benefit plan's board meeting in San Diego on Feb. 1, at which time a vote is scheduled on the matter.

[Pensions & Investments](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Pensioners Present Fears Over Further Pension Cuts in Meeting With PM

January 20, 2017, By A. Makris

Pensioners are not convinced by the prime minister's assurances that there will be no further cuts to pensions, the head of the Coordinating Committee for Pensioner Associations and IKA Federation Dimos Koubouris said on Friday, after a meeting between pensioner associations and Greek Prime Minister Alexis Tsipras.

"They are not convinced" since the laws exist, they have been passed and we can see them being implemented on a daily basis, Koubouris noted. He said the pensioner associations had raised the issues and problems faced by pensioners during the meeting, the measures that had made their lives worse and had been passed by all governments, including the present one. "Our pensions are [reduced to] welfare handouts, healthcare is in an appalling state, our welfare benefits have been abolished and our children face the same fate, since they have been denied collective labor agreements," Koubouris noted. He also expressed the pensioners' grave concerns that further cuts to pensions were pending, in

spite of the prime minister's assurances, since the laws passed by the government called for more such cuts.

[Greek Reporter](#)

Proposal for national securities regulator in Canada gains traction

January 23, 2017, By Rick Baert

A proposed national securities regulator in Canada that's targeting a 2018 start to operations is getting support, sources said, from institutional investors interested in reducing the complexity of dealing with capital markets regulations that now vary by province.

It may seem pie-in-the-sky at times because the proposal seems to lurch forward at a snail's pace, said Scott McEvoy, partner at the law firm of Borden Ladner Gervais LLP, Toronto, but I think most people hope that it will happen. Borden Ladner represents Canadian pension funds.

[Pensions & Investments](#)

Returns strong in 2016 despite scary beginning

January 23, 2017, By Sophie Baker

An eventful year filled with geopolitical drama, market volatility and diverging monetary policy gave rise to some impressive returns for pension funds in seven of the world's largest retirement markets.

The average investment returns for pension funds in Australia, Canada, Japan, the Netherlands, Switzerland, the U.K. and the U.S. were higher in 2016 than the year before and ranged from the U.K.'s 20% to a 2.8% average for Japanese funds.

[Pensions & Investments](#)

UK roundup: Hackney Pension Fund, Pensions Regulator, Willis Towers Watson

January 27, 2017, By Rachel Fixsen

The London borough of Hackney has committed its £1.1bn (" 1.3bn) pension fund to becoming free of fossil-fuel investments in the long term.

The move starts with a six-year plan to cut the fund's exposure to the carbon-producing assets by 50%, the council announced today.

The council said: "This radical move follows a review which looked at the financial risks posed to the pension fund's fossil fuel investments in light of the Paris Agreement, a global action plan to help limit global warming."

[IP&E](#)

Tata Steel's UK pensions trustee warns deficit to surge

January 27, 2017, By Reuters

Tata Steel UK's pension scheme deficit is set to balloon to 1-2 billion pounds (\$1.25-\$2.5 billion) and Britain's largest steelmaker believes it could face insolvency unless a way can be found to tackle it, the scheme's trustee has told members.

Indian parent company Tata SteelBSE 0.06 % has held talks to merge its European assets with Germany's Thyssenkrupp, but the success of those talks hinges on Tata being able to separate itself from its British pension scheme.

[Economic Times](#)

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