



Weekly Clips, February 10, 2017
Texas Pension Review Board
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PRB PLANS

In the mail: Ad backing proposed Dallas Police and Fire Pension fix

February 2, 2017, By Tristan Hallman

A new group of political, civic and business leaders is sending out a mailer backing the city's proposal to save the failing Dallas Police and Fire Pension System.

The advertisement from Taxpayers for a Fair Pension will go to 100,000 homes of Republican and Democratic primary voters in Dallas, spokeswoman Becky Mayad said. The ad encourages its recipients to add themselves to the list of "concerned taxpayers."

Dallas News

Is the Dallas Police and Fire Pension typical of Texas plans?

February 3, 2017, By Alicia H. Munnell

In the wake of the flap about the Dallas Police and Fire Pension System, many have questioned whether other Texas plans face similar problems. My sense is that the Dallas situation is extraordinary and not likely to be repeated elsewhere.

The Dallas Police and Fire Pension System story is one of wild investments . Dallas had nearly 70% of its assets in alternatives and real estate compared to an average of 22% for our sample of 160 state and local plans . and those investments produced very large losses. At the same time, Dallas has a very large and generous Deferred Retirement Option Program (DROP). (A DROP is an arrangement under which employees entitled to retire continue working and have their monthly benefit deposited in a notional DROP account where it earns interest and can be taken out as a lump sum.)

Market Watch

Is the Dallas Police and Fire Pension typical of Texas plans?

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[Market Watch](#)

Dallas and Houston both have pension problems, but Houston is actually solving theirs

February 5, 2017, By Tristan Hallman

Dallas pension misery has company in Houston.

Like Dallas, Houston is staring down billions of dollars in future pension payments that it can't afford - and it needs the state Legislature's help to fix it.

But Houston city leaders have something that has proven elusive in Dallas: an agreement among their employee groups and pension systems to cut benefits and infuse cash into the system.

[Dallas News](#)

Four Dallas City Council members ask judge to take over troubled police and fire pension system

February 8, 2017, By Tristan Hallman

Four City Council members have asked a state district judge to appoint an independent administrator to temporarily control the failing Dallas Police and Fire Pension System.

Jennifer Staubach Gates, Erik Wilson, Philip Kingston and Scott Griggs, who serve as trustees on the board, filed their petition Wednesday as intervenors in Mayor Mike Rawlings' lawsuit against the pension system.

[Dallas News](#)

Mayor's office clarifies lawsuit in police-fire pension matter

February 8, 2017, By Robert Lawson

The Dallas Mayor's office has clarified why it is seeking legal action to prevent funds from being withdrawn from a pension fund in crisis and stated its official position.

In August, those in the Dallas Police and Fire Pension System withdrew around \$500 million in what has been called a "run on the bank." Mayor Mike Rawlings fears this will accelerate problems with the pension fund, which is in crisis and at the current rate may become insolvent in the near future if reforms are not made.

[SE Texas Record](#)

Dallas Council Members Sue Pension System, Board

February 8, 2017, By Cory Smith

Four Dallas City Council members have filed a lawsuit to keep retired Dallas police officers and firefighters from withdrawing money from their deferred retirement accounts (DROP accounts) until the pension system and DROP distributions are "deemed actuarially sound" and "would not reduce or otherwise impair the constitutionally protected benefits" of pension system members.

Council members Jennifer Staubach Gates, Scott Griggs, Philip Kingston and Erik Wilson . who each also serve on the pension system's board . filed the lawsuit Wednesday, less than 24 hours before the pension board's February meeting.

[NBC DFW](#)

Council members on police and fire pension board file lawsuit against fund

February 8, 2017, By Tanya Eiserer

The four city council members who sit on the Dallas Police and Fire Pension Fund joined the legal fray today with a lawsuit of their own against the failing pension fund.

The council members are asking the court to stop to a plan that would allow millions of dollars to flow out of special high-interest earning accounts beginning in March. They are also asking the court to appoint an independent receiver to take over and recognize the fund.

[WFAA](#)

'Politics of intimidation,' or family feud? Anger grows as Dallas Police and Fire Pension System looks for fix

February 9, 2017, By Tristan Hallman

As the Dallas Police and Fire Pension Board braced for possible legal action from four of its own trustees, frustrated Chairman Sam Friar sought retribution.

Friar, in his personal capacity, circulated a resolution among police and fire associations. The document proposed to permanently ban the associations from giving any endorsements or other political support for the council members on the board for their "despicable action."

[Dallas News](#)

Criticism of former Dallas mayors' focus on 'broken pension'

February 9, 2017, By Tanya Eiserer

A slick mailer by a group co-chaired by three former mayors has drawn criticism as it claims the group will work to "salvage Dallas' broken pension system."

Called the Taxpayers for a Fair Pension, the new group is co-chaired by Laura Miller, Tom Leppert and Ron Kirk.

They're three people who once had the power to appoint members of the Dallas Police and Fire Pension Board. So, how did they do when they had that power?

[WFAA](#)

Negotiations To Fix Dallas Police & Fire Pension Fund Reach Stalemate

February 9, 2017, By Jack Fink

Charles Hale retired last April after 32 years as a Dallas police officer. I'm pretty worried. I think anyone would.+

He worries he'll lose a quarter of his pension as leaders try to figure out how to save the Dallas Police and Fire Pension Fund that could run out of money in five to ten years.

[CBS DFW](#)

Dallas City Council members join lawsuit to suspend DROP withdrawals from police, fire plan

February 9, 2017, By Meaghan Kilroy

Four Dallas City Council members joined Dallas Mayor Mike Rawlings' lawsuit against the Dallas Police & Fire Pension System's board of trustees.

In a filing Wednesday in Dallas County District Court, the council members, who are also four of the 12 trustees of the \$2.1 billion pension fund board, argued that the new DROP withdrawal policy unveiled on Jan. 12 further endangers the service retirement, disability and death benefits by encouraging (the pension fund) to sell assets in order to pay DROP withdrawal requests, beginning at the end of March 2017. The lawsuit calls for DROP payments be suspended until they are deemed actuarially sound and would not reduce or impair members' constitutionally protected benefits.

[Pensions & Investments](#)

TEXAS ECONOMIC INDICATORS

How the arts boost the Texas economy

February 9, 2017, By Gary Gibbs, Ann S. Graham and Jennifer Ransom Rice

Art inspires us and delights us. It helps us see the world in new ways. It challenges us. It sparks conversation among us. Studies suggest it even makes us smarter and happier.

In a place as culturally rich as our state, art thrives. Texas is a place where diverse cultures have long encountered each other and comingled, producing fresh genres of music, literature, art and performance. These art forms capture our Texas spirit and preserve our heritage, telling the story of Texas through the ages. But another benefit the arts bring, one that isn't always as obvious, is immense economic value.

[Dallas News](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Trump calls for Dodd-Frank review, fiduciary rule delay or replacement

February 3, 2017, By Hazel Bradford

President Donald Trump continued his push to trim federal regulations Friday, signing an executive order that federal regulators revisit the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act to reduce its burden on the regulated financial community, and a separate executive memorandum directing the secretary of labor to consider delaying or replacing the fiduciary rule that is scheduled to go into effect in April.

[Pensions & Investments](#)

Fiduciary Rule Review Gets Mixed Reaction in Plan Sponsor World

February 6, 2017, By Sean Forbes

The retirement plan advice industry has already made changes with the times, so large employers appear to be largely unconcerned with President Donald Trump's decision to review the Department of Labor's fiduciary rule.

What I think this means is an opportunity to comment, take stock, take a second look at it, to be sure it's more collaborative in approach, says Lynn Dudley, senior vice president for global retirement and compensation policy at the Washington-based American Benefits Council told Bloomberg BNA Feb. 3.

Bloomberg BNA

No 401(k)? No Problem. States Have You Covered.

February 8, 2017, By Liz Farmer

Most Americans are ill-prepared for retirement. Half of private-sector workers don't have an employer-sponsored retirement plan and only a small percentage of those 57 million people have saved enough on their own to retire.

But that's starting to change.

Governing

Under deadline, high-stakes City Hall pension negotiations inch forward

February 8, 2017, By Nate Monroe

Mayor Lenny Curry's negotiators ground out progress with local firefighter union leaders Wednesday over a consequential pension and wage proposal that has divided public-safety workers and City Hall.

Curry wants to close the city's three pension plans to new hires, making Jacksonville the first major city in America to offer only 401(k)-style retirement plans to all City Hall employees, including cops and firefighters. The mayor has tried to entice skeptical union leaders by also proposing substantial across-the-board pay raises and offering to restore more costly pension benefits to existing employees.

The Florida Times-Union

Retirement Advisers' Duty to Clients May Be Shortlived

February 8, 2017, By Tom Korosec

Requiring retirement account managers to put their clients' interest ahead of their own profit was ruled legal by a federal judge as the Trump administration ponders revoking the Obama-era rule.

Thwarting an industry-backed effort to block the requirement set to take effect April 10, U.S. District Judge Barbara M.G. Lynn in Dallas concluded that all financial advisers handling retirement accounts have a fiduciary duty to their clients, obligating them to provide professional advice. The rule, part of President Barack Obama's middle-class economic agenda, has faced vigorous criticism from industry representatives as well as Republicans in Congress.

Bloomberg

Congress Threatens State-Run Retirement Plans for Private Workers

February 9, 2017, By Evan Halper

An ambitious California law intended to help create retirement security for low-income workers is in the crosshairs of the Trump-era Congress, which is moving to block the state and others from launching programs to automatically enroll millions of people in IRA-type savings plans.

The push is one of the most direct confrontations yet with California and other liberal states by a GOP-led Congress emboldened by President Donald Trump's election.

[Governing](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Michigan leads effort to shift workers away from pensions

February 5, 2017, By David Eggert, Associated Press

Struggling under the weight of pension and health care obligations, Michigan lawmakers appear ready to take another whack at public employee benefits - a move that reflects renewed determination to shift workers to 401(k)-style retirement systems, even if it happens in baby steps.

Other states have made more modest changes, but the latest push shows that conservatives want to approve big reforms 20 years after Michigan became the first state to close pensions to future state workers. Republican Gov. Rick Snyder is pressing to address \$14 billion in unfunded liabilities, mostly from retiree medical costs, spread across more than 330 communities.

[Houston Chronicle](#)

Despite risks, public pensions put faith in long-term returns

February 6, 2017, By Robin Respaut

U.S. public pension funds are cutting their expectations for investment returns over the next 30 years or more, but some do not expect to meet even the new targets over the coming decade.

After a long period of low interest rates, forecasts by investment analysts show the next 10 years will probably bring slower market growth, leading to reduced expectations for the \$3.7 trillion of public pension assets.

[Reuters](#)

Trump Rally Helps Public Pensions as Investment Gains Hit Target

February 7, 2017, By Martin Z. Braun

The stock market rally since Donald Trump's election has been good for state and local government retirement plans.

U.S. public pensions reported median returns of 7.8 percent last year, roughly meeting the annual targets they count on to pay benefits, according to the Wilshire Trust Universe Comparison Service. The returns

were boosted by U.S. shares, with the Wilshire 5000 index gaining 6 percent between Trump's election and the end of the year.

[Bloomberg](#)

Pension crisis forces Puerto Rico retirees to rethink future

February 9, 2017, By Danica Coto Associated Press

Juan Camacho thought he would visit Spain, take a university literature course and get to sleep in more when he retired after nearly four decades as a teacher.

Instead, the 70-year-old is working as a second-grade teacher's assistant to supplement his pension as the U.S. territory's government warns its public retirement system could dry up by next year amid an economic crisis.

[Golden Isles News](#)

Endowment Sweepstakes: How Tiny Houghton College Beat Harvard

February 9, 2017, By James B. Stewart

The hotly competitive returns of college endowment performance are out, and the results have again shaken the higher education elite down to their Ivy League roots: The smallest endowments - those with total assets under \$25 million - outperformed their billion-dollar-plus rivals for the second year.

The National Association of College and University Business Officers, known as Nacubo, and the Commonfund Institute last week released the latest results, which are, for most schools, far more important than whether they advance to the N.C.A.A. Final Four.

[The New York Times](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

NZ Super nets strong active returns in 2016; pickings look slimmer this year

February 6, 2017, By Douglas Appell

New Zealand Super's active investments accounted for more than 300 basis points of the fund's 13.2% gain for calendar year 2016, but future returns look to be more muted, executives of the NZ\$32.7 billion (\$23.8 billion) Auckland-based fund warn.

Matt Whineray, NZ Super's general manager and chief investment officer, in a Feb. 1 interview, said his team is finding fewer opportunities now to put its risk budget to work in search of active returns. A year ago, "we would have had twice as much risk on," he said.

[Pensions & Investments](#)

UK roundup: Land Securities, Nottinghamshire, regulatory 'excess', discount rate 'quandary'

February 8, 2017, By Susanna Rust

The pension and assurance scheme of FTSE 100-listed commercial property company Land Securities has completed a £110m buy-in ("129m) with insurer Just.

The deal was signed in December and covers around three quarters of the scheme's pensioner liabilities.

In a statement, Just said it is one of the most significant deals it completed since merging with Partnership Assurance in April 2016.

Investment & Pensions Europe

London Stock Exchange develops guidelines for ESG reporting

February 9, 2017, By Sophie Baker

London Stock Exchange Group's Global Sustainable Investment Centre has set out recommendations for good practice in environmental, social and governance reporting in a global guide, responding to investor demand for a more consistent approach.

The online guide, for issuers and investors, has also been sent to more than 2,700 companies that list securities on the LSEG's U.K. and Italian markets. These companies represent a total market capitalization of more than £5 trillion (\$6.2 trillion).

Pensions & Investments

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