



Weekly Clips, February 17, 2017  
Texas Pension Review Board  
P.O. Box 13498 Austin, TX 78711-3498  
[www.prb.state.tx.us](http://www.prb.state.tx.us)

## **PRB PLANS**

### **Two weeks remain before state steps into Dallas' pension crisis**

February 12, 2017, By Jason Whitely, WFAA

With 17 days remaining to file bills in the legislature and negotiations over the city's mismanaged and underfunded police and fire pension at a standstill, state lawmakers say they will likely be forced to step into the crisis.

"I think we're forced to step in. We're [17] days away from the deadline and there is yet to be an agreement between the city and the pension board," said State Rep. Jason Villalba, R-Dallas, on WFAA's Inside Texas Politics this morning. "I think at this point we have to have a summit or some form of intervention, get everyone to the table and hammer those final issues down. If they don't do that, it's going to be a plan that's drawn by the legislators, and we don't have a stake interest like the other groups do to understand the nuances."

[WFAA](#)

### **City may increase pension contributions**

February 14, 2017, By Peggy Heinkel-Wolfe

The Denton City Council expects to increase its contributions to the local firefighters' pension fund in order to avoid the financial problems that have gripped Dallas and other cities around the country.

Both of Denton's pension funds are underfunded, but the gap is still manageable, according to Assistant City Manager Bryan Langley. Langley briefed the City Council on both funds during a work session Tuesday afternoon.

[Denton Record-Chronicle](#)

### **Mayor Turner gives update on Houston's pension plan**

February 15, 2017

Mayor Sylvester Turner gave an extensive update on Houston's pension plan Wednesday.

Turner said that the city's pension bill is being finalized by Houston's legislative council and he expects it to go to Rep. Flynn on the House side and Sen. Huffman on the Senate side "very, very soon".

The pension reform plan has already been approved by City Council and all three pension boards but the bill must pass through the Texas Legislature in Austin to become law.

[KHOU](#)

## **Dallas Police and Fire Pension, former real estate advisers settle lawsuit**

February 15, 2017, By Tristan Hallman

The failing Dallas Police and Fire Pension System has reached a settlement in a lawsuit against its former real estate advisers, whom pension officials had accused of leading the retirement fund astray.

CDK Realty Advisors and the pension system both agreed to drop all claims and counterclaims with prejudice, according to court records filed Tuesday. The only explanation given in the court record is that they "have now resolved their differences."

### **[Dallas News](#)**

## **Turner decries 'poison pill' added to pension reform effort**

February 16, 2017, By Mike Morris

A state lawmaker carrying Houston's pension reform bill says her version of the proposal will require a public referendum on a \$1 billion cash infusion central to the negotiations, an idea Mayor Sylvester Turner called a "poison pill" that could derail the reforms and force "massive" layoffs.

The requirement that voters have a say on the \$1 billion in pension obligation bonds is the brainchild of Sen. Paul Bettencourt, R-Houston. Fellow Houston Republican Sen. Joan Huffman, who is carrying the reforms in the higher chamber, said she understands the mayor's frustration but said her bill - which still is being drafted - will not pass without the provision.

### **[Houston Chronicle](#)**

## **Houston pension plan debated at meeting in Kingwood**

February 16, 2017, By Melanie Feuk

Houston businessman, lawyer and 2015 mayoral candidate Bill King and Councilman Dave Martin debated the city's proposed pension reform plan during the Feb. 13 Lake Houston Pachyderm Club meeting at Amedeo's Italian Restaurant in Kingwood.

The proposed pension plan is intended to address the city's mounting pension crisis, which has amassed a debt totaling \$8 billion in unfunded pension obligations.

### **[Houston Chronicle](#)**

## **Retired Firefighters Respond to Laura Miller's Take on the Pension Director**

February 16, 2017, By Tim Rogers

Last Friday, I put up a post taking former mayor Laura Miller to task. The way I see it, her current public advocacy for a pension fix stands in sharp relief to her lack of action on the matter when she was mayor. For four years, she failed to appoint two of the four pension board members that she could have. I also find it interesting that her lawyer husband is now billing hours to the city of Dallas as he works on a lawsuit filed against the pension board. Read the post for more detail, if you're not yet up to speed.

### **[D Magazine](#)**

## **Dallas Police & Fire Pension System, CDK Realty agree to dismiss lawsuits**

February 16, 2017, By Meaghan Kilroy

The Dallas Police & Fire Pension System and CDK Realty Advisors have agreed to dismiss with prejudice claims asserted in lawsuits filed against one another last year.

The parties have now resolved their differences, according to a Tuesday filing in Dallas County District Court.

### **Pensions & Investments**

## **Rawlings: We're Going Back to the State to Set up Pension Fund Correctly**

February 16, 2017

Dallas Mayor Mike Rawlings says the State of Texas is the only real option in going forward to fix the Dallas Police and Fire Pension System.

Rawlings says the system was set up by Austin.

The city has to do what Austin tells the city to do and we have done it, said Rawlings. We're going back to the state and say let's set this up correctly in the future.

### **WBAP**

## **TEXAS ECONOMIC INDICATORS**

### **Financial firms Fidelity, Forex plan North Texas layoffs**

February 14, 2017, By Jill Cowan

Two financial services companies with North Texas offices plan to downsize, according to letters they sent to the Texas Workforce Commission.

Fidelity Investments will lay off 98 people from its Grapevine office this summer, according to the letters. Forex Capital Markets, LLC, will lay off 56 from its office in Collin County by April.

The news comes as the D-FW area continues to attract major corporate moves or expansions - particularly in the financial services sector.

### **Dallas News**

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

### **In major breakthrough, Jacksonville police, fire unions reach tentative pension deal**

February 11, 2017, By Nate Monroe

Police and firefighter union leaders came to a tentative agreement Saturday with Mayor Lenny Curry that paves the way for Jacksonville to become the first major city in America that offers only 401(k)-style plans to all future employees, and moves closer toward a plan that seeks to pay off the city's staggering \$2.85 billion pension debt.

The accord represents a major breakthrough and is potentially precedent-setting.

## [The Florida Times-Union](#)

### **Labor Department to Delay and Revisit Fiduciary Rule**

February 13, 2017, By Sean Forbes

President Donald Trump's Department of Labor moved one step closer to putting the brakes on the agency's fiduciary rule for retirement investment advisers late Feb. 9.

The agency sent to the White House's Office of Management and Budget a proposal to delay the rule's applicability date, one week after Trump ordered the agency to review the Obama-era rule that aims to protect retirement investors from conflicted advice.

## [BNA](#)

### **Big state subsidy for pensions spurs concern for Georgia lawmakers**

February 13, 2017, By James Salzer

After a lousy fiscal year in the stock market, the pension system that covers about 400,000 teachers, University System employees and retired educators requires a \$223 million infusion from Georgia taxpayers.

It is one of the biggest payments - and possibly the biggest - the state has had to make to ensure the financial security of the Teachers Retirement System, and such a massive subsidy has lawmakers asking some tough questions.

## [myAJC](#)

### **States pursue plans to help workers save for retirement**

February 14, 2017, By Maria Ines Zamudio For The Associated Press

States are moving forward with new initiatives to help workers save for retirement, even as the Republican-led Congress tries to block rules making it easier for them to do so.

Studies show a sharp divide in retirement savings between those who have employer-sponsored plans and those who do not. The state programs are designed to fill in the gap.

## [US News](#)

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

### **Pew Trust: WV 'tremendous turnaround story' for pensions**

February 13, 2017, By Phil Kabler

Researchers from the Pew Charitable Trust Foundation called West Virginia's public employee pension funds a "tremendous turnaround story," going from the nation's worst-funded pensions as recently as 2000 to being the 20th best-funded plans in 2015.

We have to point to West Virginia as sort of the poster child, frankly, of states that have made the most dramatic turnarounds,+Katie Selenski, Pew's state policy director, told a joint meeting of West Virginia House and Senate Finance and Pensions committees on Monday.

### [Charleston Gazette-Mail](#)

#### **Gov. Chris Christie's budget to boost New Jersey pension contribution by \$650 million**

February 14, 2017, By Robert Steyer

New Jersey Gov. Chris Christie will include a \$650 million increase in state contributions to the \$71.2 billion New Jersey Pension Fund, Trenton, in his budget for the fiscal year that starts July 1.

The increase would boost the total pension contribution for the 2018 fiscal year to approximately \$2.51 billion in keeping with the state's pension payment formula.

### [Pensions & Investments](#)

#### **Fed chairwoman cautions about later rate hikes**

February 14, 2017, By Hazel Bradford

Waiting too long to raise interest rates would be unwise,+Federal Reserve Chairwoman Janet Yellen told a Senate panel Tuesday, because a faster hike later in the cycle would risk disrupting financial markets and pushing the economy into recession.+

Presenting the Federal Reserve's semiannual monetary policy report to Congress, Ms. Yellen told the Senate Committee on Banking, Housing and Urban Affairs that most members of the Federal Open Market Committee expect a few+rate hikes this year, with a median expectation of three increases at the group's remaining seven meetings in 2017.

### [Pensions & Investments](#)

#### **Illinois Municipal returns 7.9% in 2016, surpassing benchmark**

February 17, 2017, By Rick Baert

Illinois Municipal Retirement Fund, Oak Brook, had a preliminary net return of 7.9% in 2016 vs. its custom benchmark return of 7.7%, said Dhvani Shah, the pension fund's chief investment officer.

For the five years ended Dec. 31, the pension fund returned an annualized net 9.28% compared to the benchmark's 8.82% return, Ms. Shah said at a meeting of the IMRF board Friday.

### [Pensions & Investments](#)

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

#### **Canada's Biggest Pension Fund Logs Modest Quarterly Return**

February 10, 2017, By Jacquie McNish

Canada's biggest pension fund reported a net asset return of 0.56% during its fiscal third quarter, reflecting weakness in North American fixed-income markets and global currencies.

The modest quarterly return is significantly below the 4.75% net return the fund reported for the fiscal 2017 second quarter.

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

#### **U.K. pension fund deficits fall in January, down 29% over past year**

February 14, 2017, By Sophie Baker

The total deficit of all U.K. corporate pension funds in the London-based Pension Protection Funds 7800 index decreased 12.2% over January to £196.5 billion (\$246.4 billion) and was down 29% over the past 12 months.

The funded level of these funds improved to 88.2% as of Jan. 31, compared with 86.8% as of Dec. 31 and 82.3% at Jan. 31, 2016.

### [Pensions & Investments](#)

#### **Greek economy shrinks between October and December**

February 14, 2017

The Greek economy unexpectedly shrank in the three months to December, latest figures show.

Output fell by 0.4% in the final quarter of the year, compared with growth of 0.9% in the third quarter. Analysts had been expecting the growth to continue.

The country is in the throes of difficult bailout talks with international creditors.

### [BBC](#)

#### **UK Tata steelworkers accept pension cuts**

February 15, 2017, By Michael Pooler

Tata steelworkers in the UK have voted to accept the closure of their £15bn pension fund, a historic sacrifice that brings the industry closer to resolving the crisis in British steel.

Thousands of trade union members backed a rescue package that Tata Steel offered its British operation, whose future came under threat after the Indian group threatened to quit the country last March.

### [Financial Times](#)

*The information contained in the PRB Weekly Clips is for informational purposes only and does not represent the views, positions or opinions of the Texas Pension Review Board.*