



Weekly Clips, March 10, 2017  
Texas Pension Review Board  
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## **PRB PLANS**

### **Will this plan save the Dallas Police and Fire Pension System?**

March 7, 2017, By Tristan Hallman

After months of lawsuits, tense rhetoric and hundreds of millions of dollars rushing out the door of the failing Dallas Police and Fire Pension System, lawmakers in Austin have a starting point in their efforts to save the retirement fund.

At least, pension officials and police and firefighters hope it's just a starting point. They made quickly made it clear Tuesday that they don't like the plan lawmakers rolled out.

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

### **Bill Introduced To Create New Dallas Police And Fire Pension Board**

March 7, 2017

A state lawmaker has filed a bill addressing the troubled Dallas Police and Fire Pension System.

House Pensions Committee Chairman Dan Flynn (R-Van) filed HB 3158 Tuesday.

The bill calls for a new strong board of trustees to work out the issues.

#### **[CBS DFW](#)**

### **Dallas Police and Fire Pension Bailout Bill Filed in Austin**

March 7, 2017, By Ken Kalthoff

A bill that could solve the Dallas Police and Fire Pension crisis was filed in Austin Tuesday.

House Bill 3158 is sponsored by State Rep. Dan Flynn, R-Canton, chairman of the House Pension Committee, who has been negotiating with Dallas leaders on the compromise plan for months.

#### **[NBC DFW](#)**

### **Bill would bar elected officials from Dallas police, fire pension board**

March 8, 2017, By Jason Trahan, WFAA

A bill filed today in Austin would restructure the board of the financially devastated pension system covering Dallas police officers and firefighters in an attempt to keep their retirement fund from going broke in a few short years.

The city's thousands of first responders do not pay into Social Security, leaving the ailing Dallas Police and Fire Pension System as the only retirement safety net for most.

## [KHOU](#)

### **Dallas Police and Fire Pension System launches PR fight with videos of public safety workers**

March 8, 2017, By Tristan Hallman

The Dallas Police and Fire Pension System launched a political offensive Wednesday as the fight heated up in Austin over the future of the failing retirement fund.

The campaign - complete with the social media hashtag #BackThePension - is a response to a conglomeration of business and civic organizations, calling themselves Taxpayers for a Fair Pension, that is pushing fixes for the pension system that would hit the wallets of public safety workers and retirees.

## [Dallas News](#)

### **Will Dallas' police pension problems crowd out spending on streets, parks and libraries?**

March 9, 2017, By Mitchell Schnurman

Booming Dallas has something to worry about: a pension contagion.

The local economy has stormed back from the recession, and Dallas has grown its tax base for five consecutive years. In fiscal 2017, it grew an impressive 10 percent, outpacing the rate of many neighboring cities.

But the escalating financial problems at the Dallas Police and Fire Pension System are threatening that momentum.

## [Dallas News](#)

### **Dallas Police and Fire Pension System won't pay out DROP withdrawals after all**

March 9, 2017, By Tristan Hallman

The Dallas Police and Fire Pension System board decided Thursday that it's too risky to pay out lump-sum withdrawals this month.

Executive Director Kelly Gottschalk told board members that pension officials were unable to renegotiate a debt agreement that could trigger a call on a \$174 million loan this spring if the \$2.2 billion fund dipped below \$2 billion. Dipping below that to pay lump-sum withdrawals would harm the entire fund, she said.

## [Dallas News](#)

### **Tempers Flare at Dallas Police and Fire Pension Board Meeting**

March 9, 2017, By Ken Kalthoff

People nearly came to blows Thursday as the Dallas Police and Fire Pension Board imposed new restrictions on lump-sum withdrawals from Deferred Retirement Option Plan (DROP) accounts.

Pension administrator Kelly Gottschalk said the fund's current balance of approximately \$2 billion leaves no excess liquidity for large withdrawals at this time.

### [NBC DFW](#)

## **TEXAS ECONOMIC INDICATORS**

### **Economist Perryman in Lubbock, warns against restrictive trade policy with Mexico**

March 8, 2017, By Sarah Rafique

The biggest threat to Lubbock's economy is a trade policy that's too restrictive, according to one Texas economist. Still, the city's diverse economic influencers keep it thriving.

Ray Perryman, president of Waco-based economic research and analysis firm The Perryman Group, said there are numerous building components that come to the U.S. from Mexico, even though the goods are ultimately made in Texas.

### [Lubbock Online](#)

### **Texas unemployment rate for January holds at 4.8 percent**

March 10, 2017, By The Associated Press

Texas' unemployment rate held steady in January at a seasonally adjusted 4.8 percent, the Texas Workforce Commission reported Friday.

The Texas jobless figure for January was the latest statewide reporting period by the commission. Nationwide unemployment during February, the latest U.S. reporting period, was 4.7 percent.

### [Odessa American](#)

### **Texas shows robust job growth in January**

March 10, 2017, By Lydia DePillis

Texas added 51,300 jobs in January, a healthy rate that accelerates the state's recovery from the energy bust and reflects growing optimism among the state's employers.

That number brings Texas to a 1.9 percent growth rate over the year. The surge was powered by jobs in professional and business services, such as lawyers and accountants, as well as manufacturing, which added 7,300 positions on a seasonally adjusted basis -- the largest monthly gain since 1990.

### [Houston Chronicle](#)

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

### **Oversight Board Director Owns at Least \$265,000 in Puerto Rico Bonds**

March 6, 2017, By Robert Slavin

Puerto Rico Oversight Board Interim Executive Director Ramón Ruiz owns at least \$265,000 in Puerto Rico bonds and debt, in what some observers said may be a violation of federal laws on conflict of interest.

Ruiz's holdings are revealed in financial disclosure documents the board posted to its web site on Feb. 28. The Puerto Rico Oversight, Management and Economic Stability Act required board members and staff to post the disclosures.

#### **Bond Buyer**

### **Bill would remove pensions from Texas officials convicted of felonies**

March 4, 2017

For some time, Republican and Democrat lawmakers have worked together to overhaul ethics laws governing Texas elected officials, such as a provision that would strip pensions from elected officials convicted of felonies.

That is allowed under the current system but wouldn't be legal under Senate Bill 14, which sailed through the Texas Senate last month and is awaiting action by the House.

#### **myStatesman**

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

### **When Teachers Face the Task of Fixing Their Retirement Accounts**

March 3, 2017, By Ron Lieber

When the Greenwich Alliance for Education held its annual trivia challenge last week, Carol Sutton worried a bit when the topic turned to finance. Ms. Sutton, the president of the teachers union in Greenwich, Conn., and her table full of educators weren't quite equipped for the question about debentures.

Other tables were quick to answer. It was a reminder, as if she needed one, that for all of the money smarts in the community, which is packed with hedge fund executives, she and her colleagues were still mostly on their own when trying to fix their 403(b) retirement savings plan.

#### **The New York Times**

### **The State of State Teachers' Pension Plans**

March 6, 2017, By Karl Russell and Mary Williams Walsh

As teachers across the country retire, their pensions are being subsidized by newly hired teachers to a surprising degree. Teachers' pension plans have always rewarded long-serving veterans at the expense

of short-termers. But now, as more and more plans develop shortfalls, states have been imposing cost-cutting measures, and recent research shows that the newest hires are bearing the brunt of the changes, raising questions of fairness.

## [The New York Times](#)

### **Teamsters face 31 percent pension cut**

March 7, 2017, By Rick Karlin

Tom Baum tried to lay it out in stark, simple terms, but that didn't make the news go down any easier.

"There is less money going in than coming out," said Baum, the Teamsters Local 294 volunteer retiree representative. "This is new ground and it's not very nice."

He was explaining to more than 300 retired truck drivers and other workers who packed into the Albany Labor Temple on Monday to learn why they are facing a potential 31 percent cut in their pensions.

## [Times Union](#)

### **In Puerto Rico, Teachers' Pension Fund Works Like a Ponzi Scheme**

March 8, 2017, By Mary Williams Walsh

The teachers' pension fund in Puerto Rico looks very much like a legalized Ponzi scheme — one that might hold a warning for teachers across America.

Puerto Rico, where the money to pay teachers' pensions is expected to run out next year, has become a particularly extreme example of a problem facing states including Illinois, New Jersey and Pennsylvania: As teachers' pension costs keep rising, young teachers are being squeezed — sometimes hard. One study found that more than three-fourths of all American teachers hired at age 25 will end up paying more into pension plans than they ever get back.

## [The New York Times](#)

### **Chicago worst among 15 major cities grappling with pensions**

March 8, 2017, By Fran Spielman

Chicago is not alone among major cities grappling with under-funded city employee pensions, but is clearly in the worst shape among the nation's fifteen largest cities, a Wall Street rating agency concluded Wednesday.

Standard & Poor's surveyed pension obligations in New York, Los Angeles, Chicago, Philadelphia, San Francisco, San Diego, San Jose, San Antonio, Phoenix, Jacksonville, Dallas, Houston, Columbus, Indianapolis and Austin.

## [Chicago Sun Times](#)

### **How Refinancing Debt Can Help Pensions**

March 8, 2017, By Liz Farmer

In the low interest rate environment, states and localities have been saving billions by refinancing old debt. In most cases, the savings have benefited the general fund balance. But in North Carolina, State Treasurer Dale Folwell is making a push to instead use those savings to pay down pension and retiree health-care debt.

Starting this spring, Folwell plans to refinance every dollar we possibly can.+ He'll ask the General Assembly to divert the savings to the treasurer's office, where he'll then divvy up the extra dollars: 15 percent goes into the pension fund and 85 percent goes toward retiree health-care debt, which has a larger unfunded liability.

## Governing

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

## **IMF welcomes 'progress' in Greek bailout talks, deal unclear**

March 9, 2017

The International Monetary Fund is seeing progress in negotiations over Greece's bailout program but prospects for an agreement are still unclear, IMF spokesman Gerry Rice said on Thursday.

Rice told a regular news briefing that an IMF mission is in Athens and that the fund typically refrains from commenting on such discussions while they are underway.

"There has been progress in some important areas and we welcome that. However, differences remain in important areas," Rice said. "It's still too early to speculate on when an agreement might be reached."

## Reuters

## **U.K. financial authority has its eye on manager cost transparency efforts**

March 9, 2017, By Sophie Baker

The U.K.'s financial regulator is prepared to intervene in the money management industry should industry-led attempts to deliver greater cost transparency not measure up.

The Financial Conduct Authority published in November its interim report on its asset management study. In the report it identified a number of areas where the FCA thinks competition is not working effectively.

## Pensions & Investments

## **Pension funds, regulators throw support behind U.K. superfunds despite questions**

March 9, 2017, By Paulina Pielichata

Pension fund executives and the U.K. Pensions Regulator have welcomed a proposal by the Pensions and Lifetime Savings Association for defined benefit funds to be merged into superfunds.

The PLSA's DB Taskforce called on the government this week to facilitate consolidation, which it said could save occupational pension plans up to £600 million (\$737 million) in shared administration costs alone. The association published a report proposing four models of consolidation, with one suggestion to create a superfund and another to require DB plan trustees to demonstrate that funds are effectively run.

## Pensions & Investments

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