



Weekly Clips, April 7, 2017  
Texas Pension Review Board  
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## **PRB PLANS**

### **Firefighters balk at pension reform bill as negotiations end**

March 31, 2017, By Mike Morris

Hopes that Houston's firefighter pension board might agree to a compromise set of benefit reforms and end their opposition to Mayor Sylvester Turner's landmark reform package proved too optimistic, after the two sides passed a Thursday deadline without a deal.

It remains unclear what effect counting the firefighters as confirmed foes will have on the bills now working their way through both chambers of the Legislature.

[Houston Chronicle](#)

### **It's official: Firefighters will not back Houston pension reforms**

March 31, 2017, By Mike Morris

Hopes that Houston's firefighter pension board might agree to a compromise set of benefit reforms and end their opposition to Mayor Sylvester Turner's landmark reform package proved too optimistic, after the two sides passed a Thursday deadline without a deal.

The Houston Firefighters Relief and Retirement Fund had joined police and municipal worker groups in backing preliminary terms last fall, but did not join their counterparts in agreeing to final legislative language.

[Houston Chronicle](#)

### **Dallas mayor brands key pension fix bill taxpayer bailout**

April 3, 2017

Dallas Mayor Mike Rawlings says a bill designed to save the Dallas Police and Fire Pension amounts to a taxpayer bailout while taking control of the pension away from the city.

Rawlings testified against the proposal at the state Legislature's House Committee on Pensions on Monday.

[Houston Chronicle](#)

### **Lawmaker, Mayor Disagree On Solutions To Dallas Police-Fire Pension**

April 3, 2017, By Jack Fink

Ten thousand current and retired Dallas police officers and firefighters are hoping Monday's state hearing will lead to a plan that will rescue their troubled pension fund from going broke within ten years.

On Monday afternoon, some attended a hearing before the House Pension Committee, the first legislative body that will consider a bill aimed at getting the fund back on its financial feet.

### [CBS DFW](#)

#### **Confrontation in Austin Over Dallas Police and Fire Pension Crisis**

April 3, 2017, By Ken Kalthoff

Dallas city leaders confronted police and fire employees and retirees Monday at a Texas House Pension Committee hearing on proposed solutions to their failing pension fund.

The Dallas Police and Fire Pension Fund is around \$6 billion short on future obligations and could be insolvent in less than 10 years.

Police and Fire retirees rallied in the Texas Capitol Rotunda Monday before lining up for the afternoon hearing in a packed meeting room.

### [NBC DFW](#)

#### **Mayor Mike Rawlings won't support bill to save Dallas Police and Fire Pension System**

April 3, 2017, By Tristan Hallman

Mayor Mike Rawlings said Sunday that he won't support legislation meant to save the failing Dallas Police and Fire Pension System.

Rawlings plans to testify about his opposition to the long-in-the-works bill on Monday in Austin during a House Pensions committee hearing. The mayor told committee Chairman Dan Flynn, R-Van, on Sunday that a key provision - which binds the city to minimum payments into the pension system - is unpalatable.

### [Dallas News](#)

#### **Many concerned over Mayor Rawlings rejection of pension bill**

April 3, 2017, By Tanya Eiserer

Marie Tippett's husband JD made the ultimate sacrifice.

He was killed by Lee Harvey Oswald fleeing the scene of the President Kennedy's assassination.

Now, she feels victimized again by the failing police and fire pension fund.

"I don't want them to reduce it any because if they do, I won't be able to pay my bills," Tippit said.

### [KHOU](#)

#### **Rawlings feeling 'hopeful' about pension bill after House hearing**

April 3, 2017, By Tristan Hallman and Dagny Pruner

Mayor Mike Rawlings called on state lawmakers Monday to give the city control of the Dallas Police and Fire Pension System.

Rawlings received the wrath of some legislators after he announced Sunday that he opposes a provision of bill to save the failing fund. But the mayor shot back at lawmakers who questioned his motives and said Dallas needs the tools to fix the problems on its own during a House Pensions Committee hearing.

## [Dallas News](#)

### **Houston's pension reform bill deserves support**

April 4, 2017, By Bill White

Isn't it always easier to tell someone else what to do rather than getting one's own life in order? So it is with various levels of government. Nonetheless, the Texas Legislature should resist the temptation to micromanage Houston city government. It can start by passing intact the bill that gives Houston's elected officials more flexibility in managing retirement benefits of city employees.

The issue has received plenty of local scrutiny. During the last city election campaign, all major candidates recognized the need to reduce benefits earned for future service in order to reduce the burden of future taxpayers and avoid cuts in essential city services. Those candidates offered a variety of solutions, so it was quite an achievement when a bipartisan City Council voted 16-1 in support of a reform plan.

## [Houston Chronicle](#)

### **Path to disaster: How a 1993 change set pension fund on road to insolvency**

April 4, 2017, By Tanya Eiserer

Ernie Sherman has watched as his pension rode a path to disaster.

On Monday, the Dallas police lieutenant was in Austin for a hearing on a bill that could rescue the failing fund. But while Sherman was there, he took a detour to the public library to look at the 1993 bill that created what's known as DROP, or the Deferred Option Retirement Plan.

It's a big driver behind the fund's looming insolvency. It's about a billion dollars of the fund's \$3.7 billion shortfall. The program lets police officers and firefighters retire from the fund, keep working and put their pension checks in a special retirement account.

## [WFAA](#)

### **Let's have a debate on Texas public pension plans**

April 4, 2017, By Paul Bettencourt

Governmental pension plans across America are in doubt due to their over-reliance on defined benefits that promise higher rates of return than can be gotten in today's very low interest rate economy. Municipal pension plans such as the city of Dallas are in crisis already, and serious debate is under way on pension reform in the state of Texas.

I filed several pension reform bills, including Senate Bill 151 to require a public vote on pension bonds voted out of the Texas Senate; Senate Bill 1750 to direct the Pension Review Board to study the issue; and Senate Bill 1751 that would open up the possibility of an alternative retirement plan to new Employee Retirement System (ERS) and Teacher Retirement System (TRS) hires in Texas.

## [mySA](#)

## **San Antonio uses billboards, promise of 'strong pension' to recruit Dallas officers**

April 4, 2017, By Fox4News.com Staff

San Antonio police are using the Dallas Police and Fire Pension Fund crisis as a recruiting tool. Meanwhile, there are concerns the Dallas Police Department could dip below the critical level of 3,000 this summer.

The Dallas police chief says 3,000 officers is a critical number because if the city has fewer officers than that, it could begin to significantly hurt response times and having enough officers to solve crimes.

The San Antonio department paid for ads on digital billboards along Highway 75. They're aimed at recruiting Dallas police officers to San Antonio.

### **[Fox4News](#)**

## **New Line in the Sand for Dallas Public Safety Pension Fund Debate**

April 5, 2017, By Jim Schutze

Maybe there was a line in the sand once between people who thought the Dallas Police and Fire Pension Fund was well run and those who disagreed. That line has disappeared under a whole bunch of footprints.

In fact, two full years have passed - dating from March 2015 when Kelly Gottschalk took over as the new (from outside) director of the fund - since anybody on any side of the pension fund crisis tried to say the pension fund was managed the right way before Gottschalk. Everybody gets it. It was not.

### **[Dallas Observer](#)**

## **Texas Municipal backs Stockbridge fund, readies \$400m for real estate**

April 5, 2017, By Jon Peterson

Texas Municipal Retirement System is investing in Stockbridge Capital Group's latest fund, as part of plans to invest \$400m (" 375m) in real estate this year.

The pension fund is committing \$50m to Stockbridge Value Fund III, according to a board meeting document, alongside a \$50m investment in another fund, IC Berkeley Partners IV.

### **[IPE](#)**

## **State House committee passes Houston pension reform bill**

April 5, 2017, By Mike Morris

Houston's pension reform bill will now move to the floor of each legislative chamber after a Texas House committee joined its Senate counterparts in passing the measure 6-1 Wednesday.

With Rep. Roberto Alonzo, D-Dallas, opposed, the pensions committee adopted House Bill 43, which will now head to a scheduling committee to be set for its next hearing.

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

## **Dallas, Houston pension bills on track for House vote: lawmaker**

April 5, 2017, By Karen Pierog

Legislation addressing public pension problems in the two biggest cities in Texas are on track for a House vote this month, a key state lawmaker said on Wednesday.

A bill for Houston's retirement system passed the Texas House Pensions Committee on Wednesday and State Representative Dan Flynn, the committee's Republican chairman, said a Dallas measure should follow suit by next week.

### [Reuters](#)

## **As lawmakers try to fix city pensions, personal and business ties emerge**

April 6, 2017, By Brandon Formby

The Texas lawmaker championing a controversial House bill aimed at fixing Dallas' beleaguered police and fire pension fund is also the father-in-law of a firefighter in that city.

But state Rep. Dan Flynn, R-Canton, is far from the only state lawmaker this session to find that bills tackling some of the country's most financially troubled pension systems intersect with their personal or business lives. And in a state with a broad definition of what constitutes a conflict of interest, each legislator gets to independently decide for themselves whether to recuse themselves from helping shape pension bills being considered this legislative session.

### [The Texas Tribune](#)

## **Dallas law enforcement in crisis, and failing pension, low pay to blame, former chiefs warn**

April 6, 2017, By Naheed Rajwani

Former Dallas police chiefs warn in a letter that the police department is in crisis because of the failing police and fire pension system.

The letter, released Wednesday, calls out city leaders for "pointing fingers" instead of focusing on "consequences of ill-conceived proposed solutions."

The pension is expected to reach insolvency within the next decade.

The letter - signed by retired police chiefs, assistant chiefs and deputy chiefs that are pension members - echoes other complaints retirees have lobbed at the Dallas Police and Fire Pension System. The letter isn't addressed to a specific person or organization, though it was released days after Mayor Mike Rawlings denounced a bill before state legislators that would take control of the pension fund away from the city.

### [Dallas News](#)

# **TEXAS ECONOMIC INDICATORS**

## **Abbott picks Gregg for first economic development summit**

March 31, 2017, By Glenn Evans

A visit Friday by the governor's top economic development officer drew praise for a cooperative partnership model in place in Gregg County . and hopes the next Fortune 500 company looking for a new site in Texas will come calling.

A Friday morning tour of industrial and business parks in Longview and Kilgore and talks with local business promoters were Secretary of State Rolando Pablos' first stop on a rural economic development tour Gov. Greg Abbott encouraged him to take statewide.

### **Longview News-Journal**

## **Texas Technology Industry Added More Than 11,000 Jobs in 2016**

April 3, 2017

Texas's technology industry added more than 11,000 new jobs in 2016, according to *Cyberstates 2017™*, the definitive annual analysis of the nation's tech industry released today by CompTIA, the world's leading technology association.

With an estimated 593,000 workers, Texas ranks second among the 50 states for tech industry employment.

Technology occupations across all other industries in Texas . the second component of the tech workforce . reached an estimated 626,300 in 2016.

### **PRNewswire**

## **Improved outlook for energy helping drive Texas economy upward**

April 6, 2017, By Alex Mills

The economy in Texas has shifted into second gear and is expected to grow in 2017, according to a study released recently by the Federal Reserve Bank of Dallas.

The outlook for the Texas economy has improved considerably from a year ago,+ Robert Kaplan, President and Chief Executive Officer of the Dallas Fed, said.

### **Standard-Times**

# **LEGAL PROCEEDINGS, LAWS & REGULATIONS**

## **Fiduciary Rule Delay: What Comes Next?**

April 6, 2017, By Kristen Ricaurte Knebel

Investment advisers got the fiduciary rule delay they asked for, but maybe not the delay they wanted.

The Department of Labor's final rule, published April 4, delays until June 9 portions of the Obama administration's regulatory package that aimed to reduce the allegedly conflicted investment advice given

to retirement savers. Other portions of the rule are delayed until at least Jan. 1, 2018, while the rule is under a presidentially mandated review by the agency.

[Bloomberg BNA](#)

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

### **Mismanaged pension funds are imperiling state budgets**

April 4, 2017, By Joshua Sharf

As the looming public pension storm gathers strength, debate is expanding past technical matters and into the governance structures of taxpayer-funded pension plans. The problems that beset our public pensions are not the result of random chance, evil spirits, or swamp gas. They are the result of conscious decisions made by human beings. Even in cases where the legislature or city council has the final say, boards of trustees are usually extremely influential in the decision-making process.

Now, some states and municipalities are beginning to mull changes to who sits on plansqboards of trustees, with potential consequences for avoiding . or exacerbating . conflicts of interest.

[The Hill](#)

### **U.S. Pensions Aim to Be More Like Canadian Funds**

April 4, 2017, By Staff

The %Canadian Model+is coming to the U.S.

New research from Cerulli Associates suggests that American pension funds are striving to become more like their northern counterparts, such as Canada Pension Plan Investment Board and Ontario Teachersq Pension Plan.

There are best practices to be learned from Canadian plans, which today are considered among the most sophisticated investors in the world, Chris Mason, senior analyst at Cerulli, said in the research report released Tuesday. He said the largest Canadian pensions tended to exhibit three distinct characteristics: an emphasis on cost savings, a well-diversified investment portfolio, and a large appetite for illiquid alternative investments, such as infrastructure and real estate.

[Institutional Investor](#)

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

### **Latest rift in Greek bailout talks dashes hopes for deal in Malta**

April 3, 2017

A new rift between Athens and the International Monetary Fund over pensions and labor reforms has dealt a blow to an initial accord, dashing hopes for a bailout review deal before a meeting of euro zone finance ministers this week.

Talks between Athens, the European Union and the Washington-based IMF have dragged on for months due to differences over Greece's fiscal progress, labor and energy market reforms. The delays have revived fears of a new crisis in Europe, which is already reeling from Britain's decision to exit the union.

## [Reuters](#)

### **Greek Pensions Hot Potato Puts Tsipras in Bailout Tight Spot**

April 3, 2017, By Sotiris Nikas and Antonis Galanopoulos

Athens resident Spiros is among the reasons Greece is having a hard time reaching a bailout accord with creditors.

The 82-year-old is one of about 2.7 million pensioners likely to face a cut in monthly payments for the 12th time since the debt crisis in 2010, as part of the measures required for the disbursement of the next tranche of emergency loans. The government of Alexis Tsipras wants any new cuts in pensions to be phased in gradually and not be put in place from 2019 -- an election year -- as creditors demand. It says it wants to protect pensioners like Spiros, who account for more than a quarter of the country's 10 million population and are already bracing for higher health insurance costs and a lower income-tax-free threshold.

## [Bloomberg](#)

### **Revised mortality tables spur 36% drop in U.K. pension deficit in March — analysis**

April 4, 2017, By Sophie Baker

The total deficit of U.K. corporate pension funds fell 36.3% to £172 billion (\$214.2 billion) over March, mainly due to changes in U.K. mortality tables, shows an analysis by JLT Employee Benefits.

For the year ended March 31, deficits grew 5.5%.

Updated mortality tables published by the Continuous Mortality Investigation - which is supported by the Institute and Faculty of Actuaries and provides independent mortality and sickness rate tables for U.K. life insurers and pension funds - has shown that we are not living quite as long as had been predicted a few years ago, said Charles Cowling, director at JLT Employee Benefits, in a statement accompanying the data. Indeed, what had been put down to a blip in mortality data caused by a hard winter and some bad flu experience now may be part of a longer-term trend.

## [Pensions & Investments](#)

### **EU legislators tell UK on Brexit: no parallel talks**

April 5, 2017, By Raf Casert

European Union lawmakers on Wednesday threw their weight behind the chief EU negotiator for the divorce proceedings with Britain, backing his call for phased negotiations - against the wishes of London - and demanding Britain pay billions in commitments that the EU thinks it is owed.

The European Parliament, which has veto power at the end of the two-year negotiations, set out a tough negotiation for London. The lawmakers voted 516-133 for the resolution, with 50 abstentions.

## [The Washington Post](#)

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