



Weekly Clips, April 28, 2017
Texas Pension Review Board
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PRB PLANS

Group submits petitions calling for charter vote on city pensions

April 21, 2017, By Mike Morris

Voters soon could decide whether to close Houston's traditional pension plans to new employees after political activists submitted a petition to City Hall to force a referendum this November.

The petition further complicates Mayor Sylvester Turner's efforts to pass a pension reform bill, which already had hit a hurdle in the state Senate this week on precisely the same issue of whether new hires should be put into "defined contribution" plans similar to 401(k)s instead of one of the city's three employee pension systems.

Houston Chronicle

Dallas police chief: 'We really need to be concerned' about shrinking police force

April 24, 2017, By Tristan Hallman

City officials and the public "really need to be concerned," about the shrinking police force, interim Dallas Police Chief David Pughes said Monday.

Pughes told the City Council's public safety committee that the department is down to a nearly critical level of 3,077 officers. That's the smallest force the city has had in about 10 years. Another 100 would-be officers are training in the police academy.

Dallas News

Dallas police officers, firefighters rail against mayor's handling of pension crisis

April 26, 2017, By Brandon Formby

After a gunman fatally shot five police officers amid a peaceful protest here last summer, city officials appeared at memorial services and on international television to speak about solidarity and support for first responders.

Less than nine months later, hundreds of Dallas police officers stood at City Hall on Wednesday morning and said Mayor Mike Rawlings and some of his fellow City Council members have turned their backs on the people who risk their lives to protect residents and their property.

Texas Tribune

First responders march to Dallas City Hall in response to pension crisis

April 26, 2017, By Monica Hernandez

Hundreds of police officers and firefighters marched to Dallas City Hall Wednesday to bring attention to the pension crisis that they say is leading to quickly dwindling manpower.

They marched about half a mile, from the Dallas Police Association building to city hall, with a message.

They say they're frustrated that the pension fund they were counting on for retirement is failing, and the city and pension board can't seem to agree on a fix.

[WFAA](#)

Police chief isn't the only one having a hard time sleeping as Dallas cops flee the force

April 26, 2017, Robert Wilonsky

I went gun shopping a couple of weekends back. Weekend before that, too; and the weekend before that. Spent a lot of time at Ray's in West Dallas; also, the Beretta shop in Highland Park, where I don't think they think I'm serious because I haven't yet pulled the trigger, which is a terrible joke, I know. But soon. Probably. Maybe?

My browsing started after a long chat with a veteran Dallas police officer who works my Northwest Dallas neighborhood. Someone had dumped a boosted car on our street, the second time that's happened this year. As we waited for the wrecker we had a long between-us-fellas chat, during which he said he was retiring soon because of the billions-short and fast-failing police and fire pension fund.

[Dallas News](#)

Turner Warns Of Layoffs If Pension Plan Is Not Approved

April 26, 2017, By Al Ortiz

Houston Mayor Sylvester Turner is warning the City might have to lay off between 1,700 and 2,200 employees if the Texas Legislature doesn't approve the reform of the City's pension system this year and those layoffs could have a negative effect on public safety.

During the customary press conference held after the Wednesday City Council meeting, Turner noted that if the pension reform bill fails in Austin the Houston Police and Fire Departments will feel the pain because the City would face a deficit of approximately 240 million dollars for the Fiscal Year 2018 budget.

[Houston Public Media](#)

Mayor warns of layoffs, urges Houstonians to call lawmakers on pension bill

April 26, 2017, By Adam Bennett

A dire warning from Houston's mayor to state lawmakers: pass the city's pension reform bill, or up to ten percent of the city's employees, including cops and firefighters, will be let go.

Mayor Sylvester Turner, along Houston Police Chief Art Acevedo and Fire Chief Sam Peña, held a press conference at City Hall on Wednesday morning, warning of slower response times and less safety for both Houstonians and people living in the surrounding area.

[KHOU](#)

Turner Warns Of Massive Layoffs If City Pension Plan Fails To Pass

April 26, 2017, By Miya Shay

Houston Mayor Sylvester Turner took to Twitter Wednesday to warn that as many as 2,200 municipal workers could be laid off if state lawmakers do not approve the city's pension plan.

Earlier this year, the city council approved a plan that would address a \$4 billion shortfall caused through rising pension obligations.

Now, state leaders must approve the plan.

[ABC 13](#)

Mayor: Up to 2,200 Layoffs if Houston Pension Reforms Denied

April 26, 2017

Mayor Sylvester Turner is warning that up to 2,200 city workers would be laid off if Houston's pension-reform measures don't win approval from the Texas Legislature.

Turner was flanked by city leaders Wednesday at a news conference at which he urged state lawmakers to OK the reform plan.

[NBC DFW](#)

Houston mayor: 2,200 layoffs possible if pension plan fails in Legislature

April 26, 2017, By Aaron Barker

Houston Mayor Sylvester Turner said Wednesday that thousands of layoffs could happen if the city's plan to rein in pension spending fails in the state Legislature.

Turner said the state bills that address Houston's pension reform plan have made it out of preliminary committees in both bodies. He said the Senate version has been placed on the calendar, but the House version is being considered by the Calendars Committee.

"I anticipate, being very optimistic, I anticipate some action being taken probably sometime next week, which is major," Turner said.

[Click2Houston](#)

Flynn: On Dallas Pension Bill, "I'm Deeply Disappointed In Dallas Mayor Rawlings"

April 26, 2017, By State Rep. Dan Flynn

While both the Houston and Dallas pension bills are still waiting for hearing dates on the House Floor, my staff and I have been continuously working to make sure that both bills will be passed to ensure the pensions for thousands of Police and Firefighters across the state.

[Texas Insider](#)

Stakes Running High In Battle Over Dallas Police-Fire Pension

April 26, 2017, By Jack Fink

Dallas councilman Scott Griggs opposes Mayor Mike Rawlings' effort to kill the state bill aimed at saving the police and fire pension fund, which could go broke within ten years without major changes.

Griggs says, "Not having a bill would mean the end of the pension system. It would quickly collapse."

The mayor warns city taxpayers would pay an extra \$1.35 billion dollars over 30 years with the bill than without it.

[CBS DFW](#)

City employee pension reform plan needs a better safety net

April 27, 2017, By Christopher Alan Zook

The city of Houston finds itself on the doorstep of a permanent solution to the crisis facing our local municipal-employee pension systems. After months of negotiations, shared sacrifice and countless calculations, the goal line is in sight. The police, municipal and fire employees who serve our city deserve a retirement plan that honors the promises made to them.

Mayor Sylvester Turner deserves credit for his efforts up to this point. He has shown courage and resolve in bringing different groups together to reach a potential agreement, but it is fourth down and one yard to go, with a minute left in the game. If we don't get the ball across the goal line, we all lose. It is time for the mayor to finish what he started and merge his plan with a safety net to protect all parties from the "what if" that the future holds.

[Houston Chronicle](#)

Announcing the Allocator Finalists for Institutional Investor's Hedge Fund Industry Awards

April 27, 2017, By Imogen Rose-Smith

Tough times for hedge funds have not diminished the innovation and sophistication with which institutional investors, including large single-family offices and sovereign wealth funds, are allocating to these funds today.

Institutional Investor and Institutional Investor's Alpha will honor many of those top hedge fund allocators at its 15th annual Hedge Fund Industry Awards gala dinner, being held at the Mandarin

[Institutional Investor](#)

Turner pension reform could force pay cuts within a decade

April 27, 2017, By Mike Morris

A market downturn could force Houston police officers to take a noticeable pay cut in the next decade as a result of a key provision of Mayor Sylvester Turner's pension reform plan, according to a new report from a local think tank.

The report, released Thursday by the Arnold Foundation's Josh McGee, who also chairs the state Pension Review Board, speaks favorably of the reform plan Turner now is working to pass at the Legislature, saying it "would place the plans and the city on firmer financial footing" and would "accomplish key principles of responsible pension reform."

[Houston Chronicle](#)

TEXAS ECONOMIC INDICATORS

Rising demand builds optimism among Texas manufacturers

April 24, 2017, By Dan Zehr

Texas factory activity expanded again in April as manufacturers saw an increase in orders and kept hiring to fulfill the growing demand, according to a monthly report released Monday by the Federal Reserve Bank of Dallas.

The state production index, a key measure of business at plants statewide, dipped to a reading of 15.4 in April from 18.6 the prior month, according to the Texas Manufacturing Outlook Survey.

[myStatesman](#)

Is NAFTA hurting or helping Texas?

April 28, 2017, By Jeff Brady

NAFTA has once again become a focal point for the White House. President Donald Trump announced he's willing to re-negotiate the 23-year-old treaty rather than end it.

During his presidential campaign, Trump described NAFTA as a "horrible deal" for the United States.

KENS 5 wanted to Verify if NAFTA has given the Texas economy the short end of the stick, especially when it comes to trade with Mexico.

[KENS5](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

South Carolina Gov. Henry McMaster signs state pension bill

April 25, 2017, By Andrew Brown

Gov. Henry McMaster signed a bill Tuesday meant to fix a state pension system that impacts one in nine South Carolinians.

The legislation, which was approved by large bipartisan majorities in the House and Senate earlier this year, covers city, school, university and hospital employees across the state who draw from retirement.

While McMaster voiced concern about the legislative fix last week, the governor supported the bill by saying the state's commitment to retirees "must not only be honored, but protected into the future."

[The Post and Courier](#)

Chamber Flexing Muscle to Stop States' Retirement Initiatives

April 25, 2017, By David B. Brandolph

A congressional effort to squelch state-run retirement programs for private-sector workers may get a push over the finish line from the U.S. Chamber of Commerce.

The Senate is expected to approve a resolution in early May killing a Labor Department rule that gives states the green light to mandate such programs for workers at small businesses that don't offer retirement plans.

[Bloomberg BNA](#)

Jacksonville City Council OKs bill to close pension funds

April 26, 2017, By Rob Kozlowski

The Jacksonville City Council unanimously approved a bill closing the \$2 billion Jacksonville (Fla.) City Retirement System and \$1.8 billion Jacksonville Fire & Police Pension Fund.

The retirement systems will close Sept. 30 and employees hired on or after Oct. 1 will be automatically enrolled in the city's \$24 million 401(a) plan. The city retirement system consists of the general employees' and corrections officers' pension funds.

[Pensions & Investments](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

The Week in Public Finance: Ballmer's Data Trove, Grading Pension Health and a New Muni Bond Threat

April 21, 2017, By Liz Farmer

You might not peg former Microsoft CEO and current owner of the NBA's Los Angeles Clippers as a government data geek. But Steven Ballmer stepped into that role in a grand scale this week when he unveiled his privately funded, years-long project to help citizens easily track how government spends their money.

Called USAFacts, the website contains federal, state and local aggregated data on revenue and spending, as well as on debt, population, employment and pensions. Want to know about pension debt? Two quick searches reveal that unfunded liabilities in state and local retirement systems have more than quadrupled since 2000. At the same time, the median age in the country has increased by 2.5 years.

[Governing](#)

Report says Mississippi pension funding too low

April 23, 2017, By Jeff Amy

A new report says that even if Mississippi's public employee pension system was meeting investment assumptions, governments still aren't putting away enough money to whittle down debt from previous pension underfunding.

The study, released last week by the Pew Charitable Trusts, raises questions about the long-term course of the Public Employees Retirement System, though the system has enough money to pay years' worth of benefits even if governments and employees didn't put in another penny.

[Star-Telegram](#)

Wolf, treasurer push pension agencies to cut investment fees

April 24, 2017, By Mark Scolforo

Pennsylvania's two large public-sector pension agencies got a message from Gov. Tom Wolf on Monday: cut the fees paid to outside firms handling billions in investments.

Wolf and Treasurer Joe Torsella said at a news conference that they hoped that the state government pension fund would find ways to save \$46 million annually and the school employees' fund about \$100 million a year.

[Star-Telegram](#)

Multiemployer plans should boost alts, Cambridge report states

April 24, 2017, By Arleen Jacobius

Multiemployer pension plans should consider changing their investment approach - including adding more alternative investments - in light of an aggregate funded status as low as 51%, according to a new report from Cambridge Associates.

Multiemployer plans' calculation of funded status reflects pension liabilities discounted at the plan's expected long-term investment assumption. Under this method, some 55% of multiemployer plans are at least 80% funded as of 2014, the most current data available.

[Pensions & Investments](#)

Managers of state pension funds get \$14 million in bonuses

April 25, 2017, By Scott Bauer

Wisconsin pension fund managers and those who work directly with the state's investments will receive bonuses totaling nearly \$14 million this year. This is the highest total ever, as a reward for strong returns, the State of Wisconsin Investment Board announced.

The \$13.8 million in bonuses was approved for 152 of 163 board employees, exceeding the \$11.1 million handed out last year, the board announced.

Eleven people did not receive bonuses because they either did not qualify or their job performance did not meet expectations, said board spokeswoman Vicki Hearing.

[Wisconsin Gazette](#)

Think Public Pensions Can't Be Cut? Think Again.

April 26, 2017, By Chuck Reed

As John M. Richardson, a pioneer in the study of system dynamics, once put it, "When it comes to the future, there are three types of people: those who let it happen, those who make it happen, and those who wonder what happened."

That's as good a way as any to describe what has befallen so many of our state and local government pensions systems, now facing a collective funding shortfall of \$5 trillion: legislative bodies that let it happen by creating unsustainable pensions, policymakers who perpetuated the problem by not fully funding their plans, and retirees who have been blindsided, wondering what happened, when their pensions have been slashed.

[Governing](#)

Trump says U.S. will renegotiate trade pact with Canada, Mexico

April 27, 2017, By Ayesha Rascoe and David Lawder

President Donald Trump said on Thursday he was ready to kill the 23-year-old trade agreement with Canada and Mexico but agreed to renegotiate it after pleas from their leaders, expressing optimism about extracting better terms for the United States.

Trump, during a White House appearance with visiting Argentine President Mauricio Macri, said terminating the North American Free Trade Agreement, a pact he has long condemned, "would be a pretty big shock to the system," though he was planning to do so within two or three days.

[Reuters](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

European markets rally amid French first-round election results

April 24, 2017, By Sophie Baker

European markets rallied early Monday following the outcome of the first round of the 2017 French presidential election, with money management executives largely positive on the outlook for Europe.

In a surprise result, both of the country's mainstream parties - the Republicans and the Socialists - were eliminated in the first round. Emmanuel Macron, leader of En Marche, won almost 24% of the vote, and Marine Le Pen, leader of the National Front party, took around 21.5% of the vote. The two will go through to the final round of elections on May 7.

[Pensions & Investments](#)

U.K. seeks input on liability payment deferrals for multiemployer DB plans

April 24, 2017, By Sophie Baker

The U.K. government is seeking comment on a change to regulation that would allow employers within multiemployer defined benefit funds to defer paying up their share of the liabilities when they no longer have active participants in the plan.

Any such deferral would require the employer retains all previous responsibilities to the pension fund, said the government in a consultation paper.

[Pensions & Investments](#)

Canadian Pension Fund Seeks Buying Opportunities in Indian Bonds

April 25, 2017, By Jacqueline Thorpe and Anto Antony

Caisse de depot et placement du Quebec is looking to India's bond market and private equity funds for more buying opportunities, as it seeks to boost its exposure to Asia's third-largest economy.

"We are looking at doing something significant through our fixed-income asset class," Anita George, managing director for South Asia at the Canadian pension fund manager, said in an interview in

Mumbai. The Caisse would love to invest more in government debt, bonds of state-owned firms and eventually in private-sector corporate bonds, she said.

[Bloomberg](#)

China pension fund revenue grows 25 percent in first quarter: Xinhua

April 25, 2017, By John Ruwitch

Chinese pension funds drew 970.8 billion yuan (\$141.06 billion) in revenue in the first quarter, an increase of 25.4 percent from the same period last year, state news agency Xinhua quoted the Ministry of Human Resources and Social Security as saying.

Gross expenditures of the funds reached 808.5 billion yuan, up 22.9 percent from last year, and the pension funds' account balance stood at over 4 trillion yuan at the end of March, it said.

[Reuters](#)

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