



PRB PLANS

El Paso City Employees' Pension Fund puts Lazard on watch

June 23, 2017, By Meaghan Kilroy

El Paso (Texas) City Employees' Pension Fund put all-cap equity manager Lazard Asset Management on watch for performance, said recently released board meeting minutes.

A Lazard Asset Management spokeswoman could not immediately be reached for comment.

Pensions & Investments

New law restricts investment discretion of Texas Employees' staff

June 26, 2017, By Christine Williamson

Investment officers of the \$26.5 billion Employees Retirement System of Texas, Austin, will be restricted in the amount they can commit to alternative investments without board approval effective Sept. 1.

The investment governance change, included in an otherwise routine statute modification, limits the amount ERS staff can commit to or invest in individual private equity, real estate, infrastructure, credit or hedge fund vehicles to 0.6% of plan assets at the end of each fiscal year (Aug. 31).

Pensions & Investments

Public fund trustees facing host of difficult challenges

June 26, 2017, By Meaghan Kilroy

U.S. pension boards are under scrutiny - from fees to salaries to investment performance.

Critics frequently point to the composition of the board as a key factor in system effectiveness, while defenders point to crippling legislation or meddling politicians. The list goes on and on.

Out of those discussions, governance has become a hot topic at conferences, retirement boards and statehouses alike.

Pensions & Investments

Turner to ask voters for capital bond referendum this November

June 27, 2017, By Mike Morris

Mayor Sylvester Turner is poised ask voters to approve bonds this fall to fund improvements to city parks, community centers, fire stations and health clinics, adding hundreds of millions of dollars in debt to a crowded November ballot.

City officials say the size of the bond request has yet to be determined, but a political action committee formed to support the bonds, Lift Up Houston, lists the amount as \$490 million on its website.

The referendum is part of the city's latest five-year Capital Improvement Plan, which was unveiled at a City Council committee meeting Tuesday.

[Houston Chronicle](#)

Turner makes early community pitch on bonds: 'More police'

June 28, 2017, By Cindy George

Houston Mayor Sylvester Turner stopped by the Hermann Park Rotary Club meeting Tuesday night to congratulate his good friend and longtime supporter, Georgia Provost, on her installation as president.

He made his usual cheerleading speech about the city, stepped away from the microphone and smiled for snapshots with Provost and the club's outgoing president, Ted Weisgal.

[Houston Chronicle](#)

Houston Firefighters Sue City as Tussle Over Contract Continues

June 29, 2017, By Zach Despart

The city of Houston was sued by its own firefighters Wednesday after city council members approved a pay and benefits deal that is less generous than the department's current plan.

The move is the latest salvo in a months-long dispute between the firefighters union, the Houston Professional Fire Fighters Association, and City Hall over a new labor contract. The city's 3,800 firefighters have been without a contract for three years, and have been under a temporary contract that expires on Friday, the end of the fiscal year.

[Houston Press](#)

Judge hears arguments in lawsuit over pension plan bill

June 29, 2017, By Aaron Barker

A judge is hearing arguments Thursday in a lawsuit over the state's bill aimed at reforming Houston's pension plan for municipal workers, police officers and firefighters.

The heavily debated bill was given final approval by legislators May 24 and was signed by Texas Gov. Greg Abbott a week later.

The Senate version of the bill encompassed Houston Mayor Sylvester Turner's pension reform plan, which requires cuts in future employee benefits, coupled with the sale of bonds to begin whittling down the city's \$8 billion pension deficit.

[Click2Houston](#)

TEXAS ECONOMIC INDICATORS

Oil, gas industry is backbone of Texas economy

June 25, 2017, By Kathryn Cargo

In the height of the oil and gas industry downturn, more state tax revenue was collected in 2016 than before drilling in the Eagle Ford Shale began, said Omar Garcia, the South Texas Energy and Economic Roundtable president.

"When you look at rural South Texas not seeing economic development activity like metropolitan areas and other parts of Texas, the Eagle Ford Shale and oil and gas industry have provided numerous opportunities of sustained growth and a steady stream of tax revenue," said Garcia.

Victoria Advocate

Texas manufacturers continue to see growth, albeit at slower rates

June 26, 2017, By Rye Druzin

Manufacturers in Texas chalked up their 12th consecutive month of growth in June, although at a slower pace when compared with May, according to a survey released Monday.

The Federal Reserve Bank of Dallas' Texas Manufacturing Outlook Survey of 113 Texas manufacturers showed the production index, a key measure of manufacturing activity, fell 11 points from May's 23.3 reading to 12.3 in June. Despite the drop, it shows that production continues to grow.

Manufacturers also reported that they're continuing to use a greater portion of their capacity, although the growth rate has slowed, falling 7.1 points from May's 19.4 reading to 12.3 points in June.

My San Antonio

LEGAL PROCEEDINGS, LAWS & REGULATIONS

High police and fire pension rates send Arizona lawmakers scrambling

June 25, 2017, By The Associated Press

A group of Arizona House lawmakers is launching an effort aimed at cutting the soaring costs to communities of police and fire pensions, with its leader warning that cities could end up declaring bankruptcy if legislators fail to act.

The new committee, announced by House Speaker J.D. Mesnard, comes just over a year after 70 percent of voters approved changes to the state's public safety pension plan designed to return it to solvency in 20 years.

Tucson.com

California lawmakers advance pension borrowing plan

June 26, 2017, By Jonathan J. Cooper

California lawmakers on Monday approved a plan to borrow \$6 billion from a state savings account to pay down massive debt in the nation's largest public-employee retirement program.

The Senate sent the measure to Gov. Jerry Brown despite concerns from some lawmakers that it could be risky to borrow money and invest it through the California Public Employees' Retirement System.

[The Sacramento Bee](#)

South Carolina Retirement System Investment Commission nearing end of governance overhaul

June 26, 2017, By Christine Williamson

The South Carolina Retirement System Investment Commission, Columbia, is nearing the end of a three-year overhaul of its governance structure and investment processes.

The overhaul was based on the 124 recommendations of a fiduciary performance audit conducted in 2014 by Funston Advisory Services LLC, Bloomfield Hills, Mich.

The 2014 fiduciary audit was mandated by the South Carolina Legislature and implemented by Patrick J. Maley, state inspector general.

[Pensions & Investments](#)

Scranton Pension Board Sued for Double Payments

June 27, 2017, By Michael Katz

The City of Scranton Non-Uniformed Pension Plan board has been hit with a \$3 million lawsuit to recover allegedly illegal double-pension benefits to certain employees who retired in 2002.

The suit, filed in Lackawanna County Court by Councilman Pat Rogan and retiree Angela Sulla, claims the pension board violated its duty to properly manage the fund when it started paying double benefits to 35 retirees in 2003. The plaintiffs allege the double payment was not properly authorized by the council, and that the pension board never voted to approve the increases.

[Chief Investment Officer](#)

Michigan pension reform bill sent to governor

June 30, 2017, By Christine Williamson

A bill reforming the pension benefits of Michigan public school employees was sent to Gov. Rick Snyder for his signature Thursday.

The bill, which passed out of the state Legislature on June 21, establishes a new defined contribution plan and a new hybrid pension plan for participants and beneficiaries of state's largest public pension system, Michigan Public School Employees Retirement System, with combined assets of \$44.7 billion as of March 31.

[Pensions & Investments](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Kentucky's Hedge Funder Governor Keeps State Money In Secretive Hedge Funds

June 24, 2017, By Ben Walsh and Travis Waldron

Kentucky's public pension system is a long-running, worst-in-the-nation disaster. Even as state workers chip in their fair share, the system suffers from years of chronic underfunding by the state. Seeking higher returns, the program, formally known as Kentucky Retirement Systems, has turned to alternative investments such as private equity and hedge funds. But those funds also carry far more risk than traditional investments in stocks and bonds and much higher fees.

The year before the state's Republican governor, Matt Bevin, was elected, the pension system had 25 percent more alternative investments than its peers, 27 percent higher costs and 15 percent lower long-term returns, according to a report prepared for the pension board. As a part-owner of a hedge fund himself, Bevin said in 2015 that he didn't have a problem with the pension system's heavy reliance on alternative investments like hedge funds. But he campaigned on promises to improve the system and shore it up for the future.

[Huffington Post](#)

Christie's gamble: Transfer lottery to troubled pension system

June 25, 2017, By Andrew Seidman

Gov. Christie, who rose to national prominence years ago after declaring he had fixed New Jersey's retirement plans, is taking one last shot at shoring up the state's underfunded pension system before leaving office in January.

He wants to transfer the state lottery to the pension system, a move his administration says would immediately reduce the pension debt by \$13.5 billion and provide a stable source of revenue for 30 years.

[Philly.com](#)

Colorado Public Employees returns 7.3% for fiscal year

June 26, 2017, By Meaghan Kilroy

Colorado Public Employees' Retirement Association, Denver, returned a net 7.3% for the fiscal year ended Dec. 31, in line with its performance benchmark, said the pension fund's annual report released June 23.

Private equity was the top-performing asset class, returning 12.2%, followed by real estate at 11.2%; opportunity fund, 10.3%; global equity 7.4%; fixed income, 3.9%; and cash and short-term investments, 0.5%.

[Pensions & Investments](#)

U.S. states' pension plans' funding ratio down in 2016: report

June 26, 2017, By Stephanie Kelly

The funding ratio for state retirement systems fell 4 percentage points to 69 percent in fiscal 2016 due to weak stock price performance and a strengthening U.S. dollar, according to a report issued on Monday by advisory firm Wilshire Consulting.

It is the second consecutive year the funded ratio dropped by 4 percentage points, and the first year since 2010 that the aggregate funded ratio is below 70 percent, according to the report.

The report studied the funding ratio, or ratio of pension assets to liabilities, of 131 state retirement systems.

[Reuters](#)

Teachers' Pension Fund Not Expecting Full CPS Payment by Friday Deadline

June 27, 2017, By Matt Masterson

Schools are already out for the summer, but this Friday marks the final business day in Chicago Public Schools' fiscal year, and with that comes a looming \$700 million payment the district owes to its teacher pension fund.

CPS has three days remaining before it is scheduled to pay more than \$713 million to the Chicago Teachers' Pension Fund. But because the district is relying for the first time on property taxes to help cover that cost, CTPF Executive Director Charles Burbridge says he expects only a portion of that payment to be made on time.

[WTTW](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Regulation puts U.K.-based money managers at risk of losing EU business

June 26, 2017, By Paulina Pielichata

U.K.-based money managers are facing yet another Brexit-related question: Will they be able to serve European Union institutional clients without an EU presence? Sources said that issue might motivate some firms to expand to or re-register in a European capital.

Negotiations on the path the U.K. will take to exit the European Union got underway June 19. Sources said current EU rules under the Institutions for Occupational Retirement Provision directives could mean money managers will be prohibited from providing portfolio management services to EU-based asset owners from the U.K. unless they authorize these services in another EU member state.

[Pensions & Investments](#)

Brazil unions protest Temer's reforms; turnout drops

June 30, 2017, By Pedro Fonseca

Brazilian labor unions staged peaceful nationwide demonstrations against scandal-hit President Michel Temer on Friday, seeking to stop his unpopular administration from pushing through Congress changes to labor and pension laws.

Protests were smaller than in a nationwide strike two months ago. Subway and bus services shut down in Brasilia, and small street demonstrations blocking roads snarled drivers in traffic in São Paulo and Rio de Janeiro.

[Reuters](#)

UK the top exporter of insurance and pensions worldwide

June 30, 2017, By Monira Matin

Britain is the world's leading exporter of insurance and pension savings products, selling £13bn (" 14.7bn, \$16.8bn) to the rest of the world, according to latest figures released by the Association of British Insurers (ABI).

Independent analysis by economists Volterra, commissioned by the ABI, found that the insurance and long-term savings sector is one of the UK's most productive industries, adding more than £40bn a year to the economy.

Based on data from the Organisation for Economic Cooperation and Development (OECD), in 2014 Britain exported more in insurance and long-term savings than any other country - almost double that of its nearest rival, the US.

[International Adviser](#)

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