



Weekly Clips, September 15, 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**

### **Dallas credit outlook upgraded to stable after pension reform**

September 9, 2017, By Rudolph Bush

After more than a year of persistent credit downgrades, the city of Dallas enjoyed some good financial news late Friday when the credit ratings agency Fitch revised City Hall's longterm outlook from negative to stable.

The change reflects Fitch's approval of reforms the state Legislature adopted in the last session to save the Dallas Police and Fire Pension System from insolvency — largely by increasing contributions and reducing benefits.

#### **Dallas News**

### **City rejects union offer**

September 12, 2017, By Fernando Del Valle

HARLINGEN — The clock is ticking on union talks seeking new police and fire contracts by the end of the month. Yesterday, the city rejected the police officers' union request for a return to a state retirement system the city scrapped in 2007.

"We know the clock is ticking," John Sierega, director of field services for the Texas Municipal Police Association, told city officials in a meeting.

#### **Valley Morning Star**

## **TEXAS ECONOMIC INDICATORS**

### **Hurricane Harvey will dampen Texas' real estate market for the rest of 2017**

September 9, 2017, By Steve Brown

Hurricane Harvey will send clouds through the entire Texas real estate market, slowing overall home sales and affecting prices.

But the rebound that comes from rebuilding the Houston area and other Gulf Coast markets will cause a bounce-back in the months ahead, according to economic forecasts and the head of the Texas Realtors.

"The devastation brought on by Hurricane Harvey will affect real estate activity in many areas of the state for the remainder of this year," said Vicki Fullerton, chairman of the Texas Association of Realtors, which is holding its annual meeting in Dallas this weekend. "It's going to take a while to sort this out.

#### **Dallas News**

## **Strategic Petroleum Reserve Tapped for the First Time in Five Years**

September 10, 2017, By Jill Meyers

On September 1, amid fears of gasoline shortages and rising gas costs in the wake of Harvey, the Department of Energy approved a release of 4.5 million barrels of crude oil from the Strategic Petroleum Reserve. This is the first emergency withdrawal from the reserve in five years. The most recent emergency drawdown, in 2012, was in response to another hurricane, Isaac.

### **Texas Monthly**

## **Texas Comptroller calculates Harvey's economic impact**

September 10, 2017, By Meagan Ellsworth

Texas Comptroller Glenn Hegar anticipates Montgomery County and Texas will recover despite Hurricane Harvey's devastating impact as one of the worst flooding events in U.S. history.

"If you look at the hurricane, there are a lot of lives that are really impacted by this," Hegar said. "Texas, we are looking at this storm and it could be even a \$200 billion event, which is larger than Hurricane Katrina and Hurricane Sandy combined, which is pretty phenomenal."

### **Houston Chronicle**

## **Houston's Unsinkable Housing Market Undaunted by Storm**

September 12, 2017, By Annie Correal and Conor Dougherty

HOUSTON — For six months, Sue and Roger Powell have been hoping to find a buyer for their 7,100-square-foot home in the Houston suburb of Katy. A week ago, after they waded out of it with a few suitcases on air mattresses, those hopes had largely faded. Then they got an unexpected call from their real estate agent: a house hunter was interested.

"Somebody actually called her before we got back in here," Sue Powell said as she stood in her driveway last week, a safety mask around her neck and a pile of her possessions on the curb.

"I was really surprised," said her husband, describing how they had "gondoliered" their way back home over Labor Day weekend. "I didn't think anyone would be interested for years."

### **New York Times**

## **Allergan prepares to expand Waco facility after delays**

September 12, 2017, By Mike Copeland

Pharmaceutical giant Allergan said last year it would spend \$200 million to nearly double the size of its Waco facility and predicted construction would start before the end of 2016. That did not happen.

But Bobby Horner, inspections supervisor for the city of Waco, said this week Allergan has submitted a site plan for the proposed 322,000-square-foot addition and received a permit to start grading.

Allergan is continuing to work through engineering and design at the corporate level for a project that could create 100 jobs in the near future and 250 when production peaks, said Kris Collins, senior vice president of economic development at the Greater Waco Chamber of Commerce.

### **Waco Tribune-Herald**

## **Commission approval opens path to deepening/widening of Corpus Christi ship channel**

September 12, 2017, By Chris Galford

The Port of Corpus Christi will soon be 530 feet wider and 54 feet deeper, following approval of a \$32 million acceleration and Project Partnership Agreement between the U.S. Army Corps of Engineers (USACE) and the port itself.

The port authority commission approved the agreement last week, signaling a move that will, they hope, widen the channel enough to allow for two-way vessel and barge traffic, as well as carve it deep enough to allow in deeper draft large vessels.

### **[Transportation Today News](#)**

## **Incomes continue to rise, but Texans of color still seeing a gap**

September 14, 2017, By Alexa Ura and Annie Daniel

On the economic front, 2016 was a year of modest improvements for Texas residents. Incomes continued to creep up. Overall poverty slightly dipped. The share of poor children in some areas of the state with the highest rates of child poverty dropped.

But U.S. Census estimates released Thursday also underlined a familiar narrative of income inequality within the state's borders: Some Texans of color continue to be left behind when it comes to economic improvement.

### **[Texas Tribune](#)**

# **LEGAL PROCEEDINGS, LAWS & REGULATIONS**

## **PLSA Says TPR Should Change Its Approach**

September 14, 2017, By Michael Katz

UK trade association the Pensions and Lifetime Savings Association (PLSA) has published a white paper urging pension regulators to concentrate on the knowledge and experience of boards and committees rather than focusing on regulation.

The PLSA argues that while there are a wide range of regulations setting out expectations of boards and committees, they are largely concerned with dictating specific procedures that plans must follow. Instead, it said, The Pensions Regulator (TPR) should ensure that those running the boards and committees are appropriately qualified, and are able to act in the way most suitable to their particular plan.

### **[Chief Investment Officer](#)**

## **Ohio Attorney General Files Lawsuit Against Ohio Consultant**

September 15, 2017, By WMFD Digital Team

COLUMBUS, OH - Ohio Attorney General Mike DeWine today announced a lawsuit against a Central Ohio consultant accused of using the fees she charged her clients for her personal benefit. The lawsuit accuses Kelly S. McElravey, who operated Disability Ohio Assistance, LLC, of pocketing at least \$22,000 in client fees that were supposed to be used for disability retirement benefit applications.

Consumers complained that instead of receiving help to apply for disability retirement benefits from their public pension plans, McElravey missed filing deadlines, lied or failed to provide information about the status of their applications, and did not respond to their complaints.

## [WMFD Ohio](#)

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

## **Report: Missouri sees strong growth in 'clean energy' jobs**

September 10, 2017, By Bryce Gray

Coal is still king in Missouri, accounting for nearly 80 percent of electricity generation statewide, but a newly released jobs report shows the galloping momentum of clean-energy jobs in the state, and throughout the Midwest.

Employment in renewable energy, energy efficiency and related fields now exceeds 55,500 people in the Show-Me state and grew by 5.3 percent between 2015 and 2016 — more than three times faster than Missouri's economy overall, according to an analysis unveiled Thursday by the Clean Energy Trust and the nonpartisan business organization, Environmental Entrepreneurs.

## [St. Louis Post-Dispatch](#)

## **Hurricanes will probably hurt the economy, but not for long**

September 11, 2017, By Jill Disis

The back-to-back hurricanes that slammed the United States will probably make a dent in the economy, too.

That's according to Goldman Sachs, which says economic growth could slow by almost a full percentage point during the third quarter because of damage caused by Harvey and Irma. Goldman cut its forecast from 2.8% to 2%.

Economic growth came in at 3% last quarter, the fastest pace in two years. It was also more than double the pace of the first three months of 2017.

## [CNN Money](#)

## **Harvey and Irma to slow US economy but rebound should follow**

September 11, 2017, By Christopher Rugabur

With businesses disrupted, fuel and chemical refineries out of commission and consumers struggling to restore their lives, Hurricanes Harvey and Irma will likely pack a tough double-whammy for the U.S. economy.

Nearly one-fifth of the nation's oil refining capacity has been shut down because of Harvey, and fuel production has dropped sharply as a result, according to Bank of America Merrill Lynch. Consumers will also spend less in the immediate aftermath of the storms. Even those ready to make purchases will face closed storefronts and dark restaurants.

## [ABC News](#)

## **As U.S. Economy Improves, Cities May Be Headed for Another Downturn**

September 12, 2017, By Liz Farmer

Cities may be facing a new period of economic stress -- even as the national economy continues to improve.

According to a National League of Cities (NLC) report released on Tuesday, municipal finance officers are expecting minimal growth this year -- less than 1 percent -- after dealing with slower revenue growth last year. If that happens, NLC Research Director Christiana McFarland says it would "be the first time we are seeing two consecutive years of slowing growth since the start of the recession."

### **Governing**

## **MOSERS buyout plan calls for half of eligible members to take offer, saving \$100 million**

September 12, 2017, By Will Schmitt

The voluntary buyouts being rolled out by the Missouri State Employees' Retirement System is being offered in hopes of saving \$100 million, a spokeswoman for the pension plan says.

MOSERS is sending out letters offering lump sums averaging \$18,450 to about 17,500 former state employees who have not yet retired. Eligible members of the public pension plan in the Springfield area will see letters arrive after Sept. 18 and will have until the end of November to decide whether to cash out.

### **Springfield News-Leader**

## **American household income finally topped 1999 peak last year**

September 12, 2017, By Christopher Rugabar

WASHINGTON — In a stark reminder of the damage done by the Great Recession and of the modest recovery that followed, the median American household only last year finally earned more than it did in 1999.

Incomes for a typical U.S. household, adjusted for inflation, rose 3.2 percent from 2015 to 2016 to \$59,039, the Census Bureau said. The median is the point at which half the households fall below and half are above.

### **Washington Post**

## **Memo to civic leaders: Don't sell out your cities for Amazon's new headquarters**

September 12, 2017, By Rob Kozlowski

Amazon's announcement that it's seeking a place to deposit a \$5-billion, 50,000-employee complex as its second headquarters somewhere in North America has predictably set up a frenzy of civic preening. Mayors and regional pooh-bahs from coast to coast have announced their great interest in bringing the immense company to their burghs, as have real estate firms such as the Irvine Company.

Amazon's idea is to supplement its existing Seattle HQ with a co-equal headquarters in some entirely fresh location, since Seattle, where the company already accounts for fully one-fifth of all office space, will have trouble absorbing much more expansion. The company is asking localities for presentations explaining why they're the right place for what it calls HQ2.

### **Los Angeles Times**

## **Public Workers from two more towns expected to lose CalPERS pensions**

September 13, 2017, By Adam Ashton

Ten workers and retirees from government agencies in two far corners of California likely will see their pensions slashed because their employers have not paid bills to the state's largest retirement fund in more than a year.

Trinity County Waterworks District No. 1 west of Redding and Niland Sanitary District from Imperial County are in line to become the third and fourth government agencies to break with CalPERS over the past 12 months in a manner that shortchanges their retirees.

### **[The Sacramento Bee](#)**

## **Missouri treasurer says pension underfunded by \$5 billion**

September 13, 2017, By Summer Ballentine

JEFFERSON CITY, Mo. (AP) – Missouri's treasurer on Wednesday told a panel of lawmakers that the state employee retirement pension plan is only 60 percent funded and warned that action is needed to prevent damage to state finances.

Treasurer Eric Schmitt told the Legislature's Committee on Public Retirement that the pension plan is underfunded by more than \$5 billion. He cited an 80-percent funding mark as being healthy, although that would still leave the state below the amount needed to pay all the retirement benefits it potentially owes.

### **[US News](#)**

## **U.S. state pension liabilities hit \$1.3 trln in FY 2016 – Moody's**

September 13, 2017, By Reuters Staff

CHICAGO, Sept 13 (Reuters) - U.S. state unfunded pension liabilities hit \$1.3 trillion in fiscal 2016, a \$56 billion or 4.5 percent increase over the previous fiscal year, Moody's Investors Service reported on Wednesday.

The credit rating agency attributed the higher adjusted net pension liability for the 50 states to underperforming investment returns, low interest rates and insufficient contributions to retirement systems for government workers.

### **[Reuters](#)**

## **Oil-Fueled Inflation Jump Puts Fed in Focus**

September 14, 2017, By Andrew Soergel

A pair of inflationary indicators offered the Federal Reserve more solid ground to stand on this week as America's central bankers angle to begin trimming assets on their balance sheet while potentially raising interest rates once more before year's end.

The Bureau of Labor Statistics' consumer price index on Thursday showed inflation jump 0.4 percent in August, fueled in part by considerable gains to energy and gas prices that are only expected to be elevated further in the months ahead in the aftermath of Hurricane Harvey's march through oil-producing regions of Texas.

### **[US News](#)**

## **Big Banks Are Still Bullish on Big Banks**

September 14, 2017, By Lu Wang

Wall Street banks can't stop telling investors to buy shares in Wall Street banks. It's not been the best advice.

Financial shares have the third-worst performance among 11 S&P 500 Index groups in 2017, and are on track for the poorest year relative to the market since 2011. Yet of the 10 equity strategists surveyed by Bloomberg, nine give banks and insurers the highest recommendation and only one holds a neutral view.

### **Bloomberg**

## **University of California Oks \$1 million bonus for CIO Jagdeep Singh Bachher**

September 14, 2017, By randy Diamond

The California board of regents approved on Thursday a \$1,013,959 incentive award for Chief Investment Officer Jagdeep Singh Bachher for the 2017 fiscal year.

The bonus is in addition to his \$652,454 base salary. The compensation and governance committee, after meeting in closed session Wednesday, issued a statement citing "strong" investment results for the June 30 fiscal year as its reason for making the incentive payment. The \$10.8 billion endowment returned a net 15.1% for the fiscal year, while the \$61.6 billion pension fund returned 14.5%.

### **Pensions & Investments**

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

## **UN experts: NKorea exported \$270 million illegally recently**

September 9, 2017, By Edith M. Lederer

UNITED NATIONS — North Korea illegally exported coal, iron and other commodities worth at least \$270 million to China and other countries including India, Malaysia and Sri Lanka in the six-month period ending in early August in violation of U.N. sanctions, U.N. experts say.

The experts monitoring sanctions said in a report released Saturday that Kim Jong Un's government continues to flout sanctions on commodities as well as an arms embargo and restrictions on shipping and financial activities.

### **Washington Post**

## **Greek PM: Creditor supervision of economy to end in 2018**

September 9, 2017, By Rob Kozlowski

THESSALONIKI, Greece — Prime Minister Alexis Tsipras said Saturday that the Greek economy is turning around and will no longer be under the supervision of the country's creditors in 2018.

Speaking at the opening of the 82nd Thessaloniki International Fair in Greece's second-largest city, Tsipras said the Greek economy will grow in 2017 after a 9-year recession. He said Greece added 236,000 jobs in the first seven months of 2017, the fastest pace since 2001 and that foreign investors are eager to capitalize on the opportunities.

### **Washington Post**

## **Mexico rescinds Texas aid offer after huge quake**

September 11, 2017, By Reuters Staff

MEXICO CITY (Reuters) - Mexico has withdrawn its offer to aid victims of Hurricane Harvey in Texas due to demands on its emergency services from a massive earthquake that struck late last week, the foreign ministry said in a statement on Monday.

Mexico's government offered to send food, beds, generators, mobile kitchens as well as doctors after torrential rains from Harvey flooded vast parts of Houston.

### [Reuters](#)

## **China's Currency Rebounds as Economic Optimism Returns**

September 11, 2017, By Keith Bradsher

BEIJING — For those who worry about the state of the world economy, China has long been a major reason to lose sleep. Its financial system labors under a mountain of loans, while weaker growth has prompted many Chinese people and companies to move their money overseas in recent years.

China still faces hefty debt and slowing growth. But even some vocal naysayers say the country has found ways to contain its problems — at least for now.

### [New York Times](#)

## **North Korea's opaque trading network keeps economy afloat**

September 12, 2017, By Don Weinland, Yuan Yang & Demetri Sevastopulo

For a Hong Kong company managing a small fleet of cargo ships, Union Link International hoists an exotic array of flags, from China and Tanzania to the Pacific island nations of Niue and Palau.

But one stands out: a five-pointed red star on broad horizontal stripes of red and dark blue. It is North Korea's national banner and the vessel that flies it, the Dolphin 26, is just one in a vast network helping Pyongyang survive the international sanctions that target its rapidly advancing weapons programme.

### [Financial Times](#)

## **Mexico Regulator Defies Critics With Probe Into Bank Collusion**

September 14, 2017, By Isabella Cota

Mexico's antitrust agency, tasked with cracking down on monopolies that hinder economic growth, is facing the biggest test of its three-year history as it probes allegations of collusion at the country's biggest banks.

Alejandra Palacios, who runs the office known as Cofece, has been lambasted by columnists and commentators who say she's "slow," "ridiculous," "weak" and "at the mercy of her enemies." Opponents have accused Palacios of "overstepping" her mandate, and said she and her staff don't have the knowledge to undertake financial investigations.

### [Bloomberg](#)

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