



PRB PLANS

Townsend sale a tale of the times

September 18, 2017, By Arleen Jacobius

The sale of real estate consultant The Townsend Group to Aon PLC is an example of how tough it is to be a specialty consultant in a world of massive fee pressure and increasing competition from general investment consultants.

Industry observers said an acquisition can help specialty consultants keep fees down by generating cost efficiencies while also expanding their offerings.

Pensions & Investments

Texas Endowment Hits Brakes on Private Equity as Values Rise

September 20, 2017, By Michael McDonald

The largest public university endowment in the U.S. is pausing an aggressive expansion of investments in private equity as valuations have surged.

The University of Texas Investment Management Co. is assessing its allocation to buyout and other private equity funds after the asset class increased to 40 percent of the \$29 billion endowment, Chief Executive Officer Britt Harris said in a phone interview. The nonprofit oversees assets for the University of Texas and Texas A&M University.

Bruce Zimmerman, who resigned in October after nine years as UTIMCO's CEO, oversaw an expansion of the endowment's investments in buyout, venture capital, real estate and other private funds, increasing them from about 12 percent of the portfolio.

Bloomberg

Now in minority on pension board, police and firefighters will turn to trustees who know them well

September 21, 2017, By Tristan Hallman

Dallas police and firefighters, now reduced to minority representation on their pension's board, will turn mostly to new trustees who know them well.

The nominations committee — made up of representatives from 11 police and firefighter associations — selected a Dallas firefighter's wife with significant investment experience, a former Dallas police officer and a Houston businessman for the three non-member spots. For the two member or retiree positions, police have five candidates, and firefighters will offer up only the board's recent former chairman.

The Dallas Morning News

TEXAS ECONOMIC INDICATORS

Staples bullish on Texas' oil and gas future

September 17, 2017, By Matthew McDaniel

Texas Oil & Gas Association President Todd Staples is making his way around the Lone Star State, spreading the good news about the oil and gas recovery, and he said San Angelo and neighboring counties are nicely poised to benefit for the foreseeable future.

"As diversified as our economy is, oil and gas is really the cornerstone of the Texas economy," he said in an interview Tuesday. "Even in a down year, oil and gas paid \$9.4 billion in state and local taxes, and state royalties – that's \$26 million per day, funding our schools and paving our roads – and that's a down year."

San Angelo Standard Times

Texas Comptroller tours Brownwood manufacturing plants

September 18, 2017, By Joshua Peguero

BROWNWOOD, Texas - The Texas Comptroller paid a visit to Brownwood on Monday for the second time since getting elected as the state's chief financial officer three years ago.

Glenn Hegar toured Brownwood's three manufacturing plants as part of his initiative "Good for Texas Tour: Manufacturing Edition." The plants were Kohler, 3M, and Superior Essex Corporation. After touring the plants, Hegar made brief comments at Brownwood's Depot Civic and Cultural Center at 2:30 p.m.

KTXS

Texas' triangle cities make up the 'economic guts' of the state

September 18, 2017, By David Hendricks

One of Texas' best business legends helps explain what has become a national economic powerhouse — the "Texas triangle."

The story starts in 1967 when, supposedly, entrepreneur Rollin King and lawyer Herb Kelleher dined in downtown San Antonio at a St. Anthony Hotel bar. King drew a triangle on a cocktail napkin, labeling the corner points San Antonio, Houston and Dallas. He proposed what would become Southwest Airlines.

Express News

Texas unemployment hits historic low; some Austin companies cut jobs

September 18, 2017, By David Sucsy

Cuts to public-sector and some technology jobs created a mixed employment picture last month in the Austin metro.

The unadjusted jobless rate was 3.4 percent in August, according to Texas Workforce Commission data released Friday. That's unchanged from a year prior. But it also marked the first time since at least 2000 that employers shed jobs in August, the Austin American-Statesman reports.

There were 1,088,347 jobs in the five-county Austin metro last month — the second-lowest total this year, trailing only January. There were also 1,126,108 people in the labor force, according to TWC data.

Business Journal

Texas Economic Indicators

September 18, 2017, By Federal Reserve Bank of Dallas

The Texas economy expanded in August. Employment rose and unemployment declined. The impact of Hurricane Harvey (which made landfall in Texas on Aug. 25) was not reflected in the August employment figures, as payroll data are typically collected around the 12th day of the month. The Texas Business Outlook Surveys suggested continued growth.

[Federal Reserve Bank of Dallas](#)

Dallas as the anti-Seattle? A pro-business climate may help Texas land Amazon's HQ2

September 19, 2017, By Mitchell Schnurman

Cities around the country were thrilled after Amazon said it was searching for a second headquarters location, but the Seattle establishment was shaken.

This "should serve as a wake-up call for the region," the president of the Seattle Metro Chamber said in a statement. And it "should come as no surprise," she said, because "the city has continued to implement policies that create an environment that is at best unfriendly, and at worst, outright hostile toward the needs of our largest employers."

[Dallas News](#)

LEGAL PROCEEDINGS, LAWS & REGULATIONS

US launches criminal probe into Equifax breach

September 18, 2017, By Tara Siegel Bernard

The US Department of Justice has launched a criminal investigation of the Equifax data breach that exposed personal information including Social Security numbers belonging to 143m Americans. "The US attorney for the northern district of Georgia is working with the FBI to conduct a criminal investigation into the Equifax breach and resulting theft of personal information," said John Horn, the acting chief prosecutor in the Atlanta office.

[Financial Times](#)

Student Loan Creditor, Find for 'False' Lawsuits, Must Halt Collections

September 18, 2017, By David J Lynch and Ben McLannahan

One of the nation's largest holders of private student-loan debt must refund millions of dollars to borrowers and temporarily stop many of its collection activities, under a settlement with federal regulators announced on Monday.

The creditor, the National Collegiate Student Loan Trusts, holds \$12 billion in student loans that were originally made by banks. In Monday's settlement with the Consumer Financial Protection Bureau, the trusts agreed to pay nearly \$19 million in penalties and borrower refunds — and could be on the hook for millions in additional payments and forgiven loans. A debt collector that National Collegiate hired, Transworld Systems, will pay an additional \$2.5 million.

[New York Times](#)

Feds: Fake hospice laundered cash in FCA-UAW scandal

September 19, 2017, By Robert Snell

Detroit— Federal prosecutors have seized \$292,000 from a fake hospice that funneled cash to Monica Morgan-Holiefield, a central figure of the Fiat Chrysler-UAW corruption scandal, court records allege.

A federal court filing Tuesday seeking forfeiture of the money deepens a \$4.5 million scandal involving two pillars of the auto industry and illustrates how federal agents are following money raided from a training fund for blue-collar workers.

[Detroit News](#)

Senate Confirms Noel Francisco as U.S. Solicitor General

September 19, 2017, By Jess Bravin

WASHINGTON—The Senate confirmed Noel Francisco as U.S. solicitor general Tuesday, just ahead of a Supreme Court term that will see the Trump administration facing legal challenges on issues ranging from immigration to gay rights.

The Senate divided 50-to-47 along partisan lines, reflecting a distrust among some Democrats toward any lawyer—even an accomplished professional—who would step forward to pursue President Donald Trump’s legal agenda. The solicitor general represents the federal government before the Supreme Court.

[Wall Street Journal](#)

Can companies block employees’ class-action lawsuits?

September 20, 2017, By S.M.

ANTONIN SCALIA was no fan of class-action lawsuits. When plaintiffs band together to sue a company, he wrote in a 2011 Supreme Court decision, the result is often “trial by formula”—a mashing together of countless disparate claims that are impossible to adjudicate fairly. The Supreme Court followed up on *Walmart v Dukes* (when it rebuffed 1.5m female employees’ claim that Walmart discriminated against them) by whittling away at class-action litigation for a second time in 2011, as well as in 2012 and 2013. With Justice Neil Gorsuch now in the late Mr Scalia’s old seat, the justices are about to consider an employment-law dispute that could put new stumbling blocks before aggrieved workers seeking to combine forces in response to workplace slights.

[The Economist](#)

Trump’s impact felt in Supreme Court labor rights cases

September 21, 2017, By Richard Wolf

WASHINGTON — When the Supreme Court opens its 2017 term on the first Monday in October, its very first cases will serve as a stark reminder of why elections matter.

When the court was asked to hear three cases on labor arbitration agreements last September, Barack Obama was president, Hillary Clinton was heavily favored to succeed him, and federal appeals court Judge Merrick Garland was in line to replace the late Antonin Scalia. Garland had a strong record of defending workers' rights.

[USA Today](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Pension Storm Warning

September 16, 2017, By John Mauldin

This time is different are the four most dangerous words any economist or money manager can utter. We learn new things and invent new technologies. Players come and go. But in the big picture, this time is usually not fundamentally different, because fallible humans are still in charge. (Ken Rogoff and Carmen Reinhart wrote an important book called *This Time Is Different* on the 260-odd times that governments have defaulted on their debts; and on each occasion, up until the moment of collapse, investors kept telling themselves “This time is different.” It never was.)

Mauldin Economics

Nine years on from the financial crisis, banks are still working to rebuild trust

September 19, 2017, By Rob Kozlowski

Recently a notification from Facebook reminded me that I landed in London almost nine years ago to study journalism. Almost simultaneously the world went through the pain of the global financial crisis.

In September 2008, as I made my way to a meeting in Canary Wharf, I saw hoards of people walking out of the then Lehman Brothers office, now the European headquarters of JPMorgan, with boxes in their hands. I remember being very intrigued as to why so many people were moving at once. Little did I know that this was the start of a new era – one that was going to haunt the global economy for years to come.

CNBC

CalPERS to Declare Two Districts in Default

September 19, 2017, By Michael Katz

The \$336 billion California Public Employees' Retirement System (CalPERS) will likely cut loose two pension plans by declaring them in default of their financial obligations at its monthly board meeting this week.

CalPERS's Finance and Administration Committee has recommended that the board declare the Trinity County Waterworks District and the Niland Sanitary District in default, and has called for a reduction in benefits for their workers. Trinity County Waterworks, located in Northern California, owes more than \$1.5 million, while the Niland Sanitary District, which is in Southern California, owes \$204,000.

Chief Investment Officer

Harvard Endowment Reports 'Disappointing' 8.1 Percent Return

September 19, 2017, By Geraldine Fabrikant

Describing the results as “disappointing,” Harvard University reported on Tuesday that its \$37.1 billion endowment earned an 8.1 percent return for its most recent fiscal year.

The endowment's new chief executive, N. P. Narvekar, said that the fund was in the middle of a major revamping and that problems in the endowment would “require time to overcome.”

New York Times

Lake Forest votes to pay off unfunded pension liability costs, saving in interest September 20, 2017, By Nathaniel Percy

LAKE FOREST – For the second time in less than two years, the City Council has voted to pay off its unfunded pension liability, saving an estimated \$3.4 million in interest over a 30-year period.

The council voted 4-0-1 on Tuesday, Sept. 19, with Councilman Dwight Robinson absent, to authorize a lump sum payment of \$2.45 million to the California Public Employees Retirement System, which it contracts with to provide pension benefits for the city's retirees.

[Orange County Register](#)

States Need \$645 Billion to Pay Full Health-Care Costs September 20, 2017, By Heather Gillers

When Aurora, Ill., closed its books last December, about \$150 million disappeared from the city's bottom line. The Chicago suburb of 200,000 people hadn't become poorer. Instead, for the first time it recorded on its balance sheet the full cost of health care promised to public employees once they retire.

States and cities around the country will soon book similar losses because of new, widely followed accounting guidelines that apply to most governments starting in fiscal 2018—a shift that could potentially lead to cuts to retiree health benefits.

[Wall Street Journal](#)

Kentucky pension crisis: Plan calls for Louisville workers to exit troubled state system

September 20, 2017, By Phillip M. Bailey

Metro Council plans to take up a bipartisan measure this week calling for local public workers to be separated from a woefully underfunded state pension plan, a move that would fly in the face of a consultant's recommendations to Gov. Matt Bevin.

Under the nonbinding proposal that will be voted on Thursday, city and Jefferson County Public Schools employees would leave the Kentucky Employee Retirement System, an umbrella system that includes the County Employment Retirement System under which they are covered. (The move would not include teachers at JCPS, who are covered by the Kentucky Teachers Retirement System.)

[Courier-Journal](#)

1 million Ohio public employees, retirees may see pension cut September 20, 2017, By Laura A. Bischoff

Columbus – Ohio's biggest public pension system is considering cutting the cost of living allowances for its 1-million members as a way to shore up the long-term finances of the fund.

Ohio Public Employees Retirement System trustees on Wednesday discussed options that could affect all current and future retirees, including tying the cost of living allowance to inflation and capping it and delaying the onset of the COLA for new retirees.

[Dayton Daily News](#)

Big investors have appetite to bypass fund managers

September 21, 2017, Jennifer Thompson

Half of all institutional investors would bypass fund managers if they could and invest directly in property, infrastructure or private equity, or so-called real assets, according to a survey of 105 institutional investors by State Street, the US bank.

Direct investment by institutional investors has proliferated in recent years as asset owners hunt for better returns in a low interest-rate environment. Infrastructure and property investments are attractive because growing valuations provide pension portfolios with a long-term hedge against inflation.

[Financial Times](#)

Investment Advisor Association to form active managers council

September 21, 2017, By Robin Wigglesworth

The Investment Adviser Association, representing more than 600 US asset managers, trusts, pension plans, endowments and financial advisers that together manage about \$20tn, plans to launch a council dedicated to defending active money management later this year.

The move has not been reported but the agenda for the IAA's upcoming conference in Chicago in early October contains a reference to preliminary work an organising council has done, which will be presented to members at the meeting. Karen Barr, head of the IAA, confirmed that the council was about to be launched.

[Financial Times](#)

U.S. jobless claims fall; hurricanes still affecting data

September 21, 2017, By Lucia Mutikani

WASHINGTON (Reuters) - The number of Americans filing for unemployment benefits unexpectedly fell last week, but the near-term outlook for the labor market was muddied by the continuing impact of Hurricanes Harvey and Irma.

Other data on Thursday showed manufacturing activity in the mid-Atlantic region accelerated in September amid a surge in new orders. But hiring by factories slowed and employees worked fewer hours this month compared to August.

[Reuters](#)

The 'Retirement Savings Gap' is Really A Government Funding Gap

September 22, 2017, By Andrew G. Biggs

Americans are scared about their future retirement security. Politicians have promised to fix this "retirement crisis" through a combination of expanded Social Security benefits and new retirement plans set up by state governments. But what if our governments are themselves the biggest contributors to this "retirement savings gap"?

That's a question I explore in a new study comparing retirement saving by American households with government funding of the various retirement plans Americans depend upon. The best estimates show that underfunded retirement benefits are overwhelmingly a problem caused by government, not undersaving by individuals.

[Investor's Business Daily](#)

S.E.C. Rules to Protect Investors From Cyber threats Fall Short

September 22, 2017, By Gretchen Morgenson

At first glance, the hacking disclosed by the Securities and Exchange Commission on Wednesday didn't seem too much of a concern to investors. The intrusion, after all, appeared to be limited to the S.E.C.'s database of corporate filings, like annual and quarterly financial reports and proxy statements.

While the S.E.C. said it believed that the attack "did not result in unauthorized access to personally identifiable information, jeopardize the operations of the commission, or result in systemic risk," the agency did acknowledge that the hackers could have profited by trading on the corporate data they gleaned.

[New York Times](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

G.M. Workers Strike in Canada as Mexico Jobs Raise Tension

September 18, 2017, By Ian Austen

OTTAWA — Workers at a General Motors assembly plant in Ontario went on strike late Sunday as union leaders reported an impasse in talks to keep Canadian jobs from moving to Mexico.

It is the first strike at a Canadian auto assembly plant in 21 years. The roughly 2,750 unionized employees at the factory, in Ingersoll, Ontario, may have been emboldened because it builds the Chevrolet Equinox, a small sport-utility vehicle that is a sales success for G.M.

[New York Times](#)

British Airways proposes new pension plan

September 19, 2017, By Josephine Cumbo

British Airways has unveiled proposals for a new company-wide retirement plan which it said would represent a "significant upgrade" for more than half the carrier's employees.

Earlier this month, BA announced plans to close one of its traditional pension schemes which promise members guaranteed retirement income, but which the airline said had a growing funding hole.

[Financial Times](#)

The World's Biggest Wealth Fund Hits \$1 Trillion

September 19, 2017, By Mikael Holter and Sveinung Sleire

Norway's sovereign wealth fund hit \$1 trillion for the first time on Tuesday, driven higher by climbing stock markets and a weaker U.S. dollar. The milestone valuation was reached for the first time on Sept. 19 at 2:01 a.m. in Oslo, Norges Bank Investment Management said in a statement on Tuesday.

"I don't think anyone expected the fund to ever reach \$1 trillion when the first transfer of oil revenue was made in May 1996," Yngve Slyngstad, chief executive officer of the fund, said in the statement. "Reaching \$1 trillion is a milestone, and the growth in the fund's market value has been stunning."

[Bloomberg](#)

Pension Crisis Looms as India's Workers Shun Sunset Savings

September 20, 2017, By Anirban Yang

India's much-vaunted demographic dividend has a weak spot -- very few of the nation's workers are saving for retirement.

That leaves Asia's third-largest economy sitting on a "ticking pension time bomb", according to Tarun Ramadorai, author of a report on household finances that was commissioned by the Reserve Bank of India and other financial sector regulators.

Bloomberg

World Leaders Push More Inclusive Approach to Globalization

September 20, 2017, By Andrew Mayeda

Global political and business leaders defended trade and globalization while acknowledging that countries must do more to address the concerns of people who feel left behind.

"Trade leads to growth. That's the story of our world over the past centuries, and that's a good thing," Canadian Prime Minister Justin Trudeau said Wednesday at the Bloomberg Global Business Forum in New York. But "that growth hasn't necessarily reached everyone," and that's led to either to political backlash "or falling back into the politics of fear, division, or envy or inward turning."

Rather than mourning the loss of manufacturing jobs, the world should embrace the technological advances diffusing through the global economy, which will create growth in service jobs, said Alibaba Group Holding Chairman Jack Ma.

Bloomberg

China's central bank tells banks to stop doing business with North Korea: sources

September 21, 2017, By Reuters Staff

BEIJING/HONG KONG (Reuters) - China's central bank has told banks to strictly implement United Nations sanctions against North Korea, four sources told Reuters, amid U.S. concerns that Beijing has not been tough enough over Pyongyang's repeated nuclear tests.

Tensions between the United States and North Korea have ratcheted up after the sixth and most powerful nuclear test conducted by Pyongyang on Sept. 3 prompted the United Nations Security Council to impose further sanctions last week.

Reuters

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