



Weekly Clips, May 4, 2018
Texas Pension Review Board
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PRB PLANS

Like others in Texas, Austin's employee pension plan in crisis, new study says

April 27, 2018, By Mike Lisher

The Austin Employees' Retirement System is in crisis, with liabilities of more than \$1 billion that it cannot pay with funding on hand, according to a new joint study by the Texas Public Policy and Reason Foundations.

Unreasonable return on investment projections have, for nearly two decades, allowed the Austin City Council to contribute much less than is needed to fully fund the retirement system, TPPF's James Quintero, one of the study's authors, told The Texas Monitor.

[The Texas Monitor](#)

Texas Public Pension Funds Return 11% in 2017

May 1, 2018, By Michael Katz

Texas' public employee pension funds returned an average of 11% in 2017, as they rode the strong gains of US equities last year, according to a survey by Maples Fund Services for the Texas Association of Public Employee Retirement Systems (TEXPERS).

The report from Maples reviewed the asset allocation and investment performance for 63 local pension systems that are members of TEXPERS, which have a combined market value of approximately \$57.1 billion.

[Chief Investment Officer](#)

Trustees spending fire and police pension funds on expensive travel

May 3, 2018, By Jaie Avila

Taxpayers pay millions each year to make sure firefighters and police officers have a secure retirement. But an investigation by News 4 Trouble Shooter Jaie Avila reveals trustees in charge of the fund spending some of that on expensive travel while being wined and dined by investment firms.

Firefighters and police officers contribute toward their pensions out of their paychecks. But the city says YOU pay for the majority of it: \$77 million a year. So we all have a lot to lose if things go wrong.

[News 4 San Antonio](#)

TEXAS ECONOMIC INDICATORS

Why hasn't the Permian Basin boom created a boom in Texas oil and gas jobs?

May 1, 2018, By Jeff Mosier

Texas added barely any oil and gas jobs last year even as the state continued to dominate the industry, according to a report released Monday.

The Texas industry employed 325,439 or about 39 percent of those jobs nationwide, according to the Texas Independent Producers & Royalty Owners Association. The national and state numbers also showed that hiring was up for the first time since 2014 but by small amounts.

Dallas News

Analysis: Boom time comes early to West Texas oil patch

May 1, 2018, By Ann Saphir

In West Texas, rising oil prices are fueling a sharp economic upswing, lifting employment and pay to records, driving up spending at hotels, restaurants, and car dealerships, and raising the cost of housing and other essentials. This parched patch of land, under which lie the largest oil-producing rock formations in the United States, is used to growth binges as well as the busts that always follow.

Reuters

LEGAL PROCEEDINGS, LAWS & REGULATIONS

Illinois lawmakers may combine police, fire pension boards

April 30, 2018, By Maximilian Kwiatkowski

SPRINGFIELD — To save local governments money, some legislators and activists are calling for police and firefighter pensions to be combined into one big fund, but police and fire unions remain skeptical of the savings.

Currently, each community has its own fund paid into locally, with its own individual pension board, a system that Mark Fowler, executive director of the Northwest Municipal Conference, feels is starting to fall apart.

The Pantagraph

Oklahoma House passes stipend for pensioners, turns down cost of living adjustment

May 1, 2018, By Randy Krehbiel

OKLAHOMA CITY — Most pensioners in the state's retirement systems would get a one-time stipend of at least \$350 under a measure sent to Gov. Mary Fallin on Tuesday by the Oklahoma House of Representatives. House Bill 1340, by Rep. Randy McDaniel, R-Edmond, authorizes stipends of, in most cases, 2 percent but with an absolute minimum of \$350 except for volunteer firefighters, who would get \$100.

Tulsa World

Colorado House passes amended pension reform bill, shifting higher contributions to employers

May 3, 2018, By James Comtois

The Colorado House of Representatives on Tuesday passed a bill designed to improve the funded status of the \$49 billion Colorado Public Employees' Retirement Association, Denver, and lower its overall risk.

Senate Bill 18-200, which was introduced on March 7, passed by a 38-23 vote in the House after modifications to the bill were made. Employer contributions did not increase – the bill includes a direct distribution of \$225 million from the state to PERA.

[Pensions & Investments](#)

NATIONAL ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

Firm footing for now: North Dakota public pensions on solid ground, but may call for future changes

April 28, 2018, By Andrew Haffner

GRAND FORKS -- While sagging public pensions in states like Illinois now resemble earth-bound, budgetary comets, North Dakota pension plans aren't likely to sink anytime soon.

At least, that's the goal behind a set of legislative changes now being weighed to head off future disruption to one of the state's largest pension funds, the North Dakota Public Employees Retiree System -- NDPERS, for short -- which could otherwise run dry in decades to come.

[Bismarck Tribune](#)

North Carolina Retirement Systems' Assumption Rate Reduced to 7%

April 30, 2018, By Chris Butera

The North Carolina Retirement Systems is lowering its investment assumption rate from 7.20% to 7%, a move first proposed 20 years ago.

At the \$98 billion fund's Thursday board meeting, the Teachers' and State Employees Retirement System and Local Government Employees' Retirement System's boards unanimously approved of the decision.

[Chief Investment Officer](#)

Trump delays steel and aluminum tariffs for Canada, Mexico and European Union, pulling back on major trade threat

April 30, 2018, By Steven Mufson and Damian Paletta

President Trump at the last minute on Monday evening announced he would again postpone imposing tariffs on steel and aluminum imports from Canada, Mexico and the European Union, the White House said, pushing off a key economic decision while he tries to prod foreign leaders into making trade-related concessions. The White House said it reached agreements on metals imports with Argentina, Australia and Brazil, saying more details will be finalized in 30 days.

[The Washington Post](#)

Divestment Doesn't Change Company Behavior, Pension Managers Say

May 1, 2018, By John Gittelsohn

Managers of the California State Teachers' Retirement System and the New York State Common Retirement Fund said they oppose divesting from controversial companies because it doesn't change corporate behavior.

[Bloomberg](#)

Pension Problems Help Drive US Protest for Teacher Raises

May 1, 2018, By Brian Eason

The loudest rallying cries from Colorado teachers protesting for more education dollars were about dwindling paychecks that are steadily losing ground to the state's rising cost of living. Teachers usually say a persistent funding shortage, which has cost public schools \$6.6 billion since 2009, led them to walk off the job and close down schools last week.

[U.S. News & World Report](#)

Timber! SEC Chops Down \$85M Ponzi Scheme: Enforcement

May 4, 2018, By Emily Zulz

The Securities and Exchange Commission unsealed fraud charges against a Mississippi timber company and its principal who allegedly bilked at least 150 investors in an \$85 million Ponzi scheme.

The SEC's complaint alleges that Arthur Lamar Adams lied to investors by telling them that their money would be used by his company, Madison Timber Properties, to secure and harvest timber from various land owners located in Alabama, Florida and Mississippi. He also promised annual returns of 12% to 15%.

[Think Advisor](#)

Unemployment Rate Hits 3.9%, a Rare Low, as Job Market Becomes More Competitive

May 4, 2018, By Natalie Kitroeff

The Labor Department released its April hiring and unemployment report on Friday, providing the latest snapshot of the economy. The unemployment rate was 3.9 percent, the lowest rate since 2000 and a sign that the job market has become even more competitive. It had been 4.1 percent since October.

[The New York Times](#)

U.S. and China make Scant Progress in Trade Talks

May 4, 2018, By Lingling Wei

The U.S. and China asked one another to make sweeping concessions in trade talks, failing to bridge sharp divisions and raising the chances that each government will slap tariffs on tens of billions of dollars of the other country's exports before settling the dispute.

Top economic officials on both sides sat down for two days of talks this week after exchanging lists that contained sizeable demands.

[The Wall Street Journal](#)

WORLDWIDE ECONOMIC, PENSION, INVESTMENT & BANKING INFORMATION

India's \$35 Billion Government Pension Fund Sees Stock Boost

April 29, 2018, By Vrishti Beniwal and Christopher Anstey

India's \$2.3 trillion equity market has surged in recent years, and is about to get a new endorsement -- from the nation's pension regulator.

"We are pressing the government to increase the equity proportion for government employees, and expect a favorable response very soon," from the Finance Ministry, Hemant Contractor, chairman of the Pension Fund Regulatory and Development Authority, said in an interview.

Bloomberg

Iceland: Preparing for a second wave

May 2018, By Rachel Fixsen

The 2008 financial collapse of Iceland's banks put a halt to many things. One was the process of portfolio diversification that pension funds had been engaged in for the previous decade.

With pension funds taking the lead, between 1997 and 2007 Icelandic investors' international allocations rose to 30% from zero, according to Reykjavik-based Gamma Capital Management. But with the restrictions on capital flight that were imposed at the height of the financial crisis now lifted, the second wave of portfolio rebalancing is to start, Gamma predicts.

Investment & Pensions Europe

Puerto Rican Police Clash With Workers Protesting Pension Cuts

May 1, 2018, By Michelle Kaske and Yalixa Rivera

Puerto Rico demonstrators battled police on San Juan's streets as they marched against proposed cuts to retirement benefits and looser labor laws as the bankrupt island seeks to reduce \$74 billion of debt.

Thousands of protesters came out to contest retirement-plan changes that a federal board overseeing the bankrupt commonwealth's finances says would help end years of overspending as it also seeks concessions from bondholders.

Bloomberg

Diversifying sovereign funds ramp up assets to record \$7.45tn

May 4, 2018, By Kazuhiro Kida

Sovereign wealth funds increased their asset holdings to an all-time global high in the fiscal year ended March as they moved beyond conventional assets to pursue strategic investments that fortify their tech sectors and develop infrastructure. The assets managed by the world's 78 active sovereign wealth funds rose 13% on the year to a record \$7.45 trillion as of March, according to British data company Preqin.

Nikkei Asian Review

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