



Weekly Clips, May 18, 2018  
Texas Pension Review Board  
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## **PRB PLANS**

### **What's up with the Dallas Police and Fire Pension System investigations?**

May 11, 2018, By Tristan Hallman

Investigations into the Dallas Police and Fire Pension System's past dealings are still ongoing, pension officials say. Beyond that, they don't seem to know what's happening, and those who do know aren't saying much.

The status of the multiple inquiries came up during a Texas House Committee on Pensions hearing Thursday at Dallas City Hall. The meeting was, in part, a check-up on the fund one year after the Legislature passed a rescue bill meant to pull the pension system off the path to insolvency.

#### **Dallas News**

### **Dallas City Hall to police, fire associations: Let's talk about pay**

May 15, 2018, By Tristan Hallman and Naheed Rajwani

Dallas city officials want to quickly get pay and benefit negotiations underway with police officers and firefighters in hopes of getting a deal done by the end of the year — significantly earlier than the down-to-the-wire talks less than two years ago.

The current agreement — commonly known as meet-and-confer — began in October 2016 and doesn't expire until Sept. 30, 2019, which is the end of the next fiscal year. The agreement has major ramifications; the police and fire departments make up the majority of the city's \$1.3 billion general fund budget.

#### **Dallas News**

### **S&P Global Ratings downgrades Fort Worth's debt rating because of pension liabilities**

May 18, 2018, By Meaghan Kilroy

S&P Global Ratings on Thursday downgraded the rating on Fort Worth's general obligation debt to AA from AA+ , citing the city's rising pension liabilities and pension contributions below actuarially determined levels.

The ratings agency noted in its report that the \$2.3 billion Fort Worth (Texas) Employees' Retirement Fund was 42.4% funded as of Sept. 30 with unfunded pension liabilities of \$3.1 billion.

#### **Pensions & Investments**

# **TEXAS ECONOMIC INDICATORS**

## **West Texas drought threatens crops, Lubbock economy**

May 14, 2018, By Amanda Ruiz

While there is a chance for rain in our future, experts with the Texas Tech School of Agriculture say we need a couple of substantial showers to get us out of this drought and into a good growing season.

If we don't get some relief soon, it won't just affect our farmers, it will affect our larger local economy. Darren Hudson, Director of International Center for Agriculture Competitiveness at Texas Tech University, says our weather patterns are starting to look like we could face a repeat of the 2011 drought. In 2011, Lubbock broke the record for worst drought since 1917 with around five inches of rain for the whole year. Our average yearly rainfall is 18.69 inches.

### **KCBD**

## **DFW Challenges to Growth: Increasing income gap that threatens region**

May 18, 2018, By Bill Hethcock

At first glance, Dallas-Fort Worth seems like a land of opportunity and prosperity, with a booming housing market and new people, new companies and new jobs flowing in to buoy the economy.

But the rising tide is not lifting all boats. The rich are getting richer and the poor are getting poorer in Dallas County at an alarming rate, even as the population booms.

### **Dallas Business Journal**

## **H-E-B adding more than 900 jobs across Houston area**

May 18, 2018, By KHOU Staff

The largest private employer in Texas says it is adding more than 900 jobs in the Houston area. H-E-B says current openings include store leadership and management positions, as well as part-time and entry-level jobs. In addition, H-E-B recently increased minimum starting pay for Customer Service Assistants (Baggers) - \$9.50/hour and Checkers - \$11.50/hour.

### **KHOU**

# **LEGAL PROCEEDINGS, LAWS & REGULATIONS**

## **Pension Pressure For Illinois Municipalities Could Become An Imminent Budgetary Challenge Under The State's Revenue Intercept law**

May 14, 2018, By S&P Global

Invoking a statute designed to compel Illinois municipalities to fund their public safety pension plans according to statutory minimum levels, pension boards in the cities of Harvey (not rated) and North Chicago (A/Stable) recently petitioned the state comptroller to intercept state revenues due to the municipalities. This move has some market observers wondering if it could be an opening salvo in a larger wave of budget battles.

### **S&P Global**

## **Banks Sued for Rigging Market for Mexican Government Bonds**

May 14, 2018, By Chris Dolmetsch

More than a half-dozen banks were sued by the pension fund for Boston government employees, which alleged the institutions rigged the market for Mexican government bonds for more than a decade.

The Boston Retirement System sued banks including Banco Santander SA, JPMorgan Chase & Co. and Credit Suisse AG in federal court in New York Monday, accusing them of conspiring to fix prices for Mexican government bonds between 2006 and April 2017 by rigging auctions, selling bonds at artificially high prices and fixing spreads. The three banks didn't immediately respond to requests for comment.

### [Bloomberg](#)

## **Chattanooga's Fire and Police Pension Fund Sues Wells Fargo**

May 15, 2018, By Michael Katz

Chattanooga, Tennessee's Fire and Police Pension Fund has filed a lawsuit against its trustee, Wells Fargo, claiming the bank provided inaccurate and incomplete information about revenue it received that was intended for the fund.

In court filings, the fund accused Wells Fargo of "what appears to be systemic nondisclosures, or incomplete disclosures, of revenue paid by third parties."

### [Chief Investment Officer](#)

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

## **New York state's pension investment chief to retire – comptroller**

May 11, 2018, By Hilary Russ

The chief investment officer of New York State's \$209 billion public pension system will retire this summer, State Comptroller Thomas DiNapoli said on Friday.

Vicki Fuller will end her six-year tenure at the New York State Common Retirement Fund, the third-largest public pension fund in the United States.

### [Reuters](#)

## **The politics of pensions in America**

May 12, 2018, By Joshua Gotbaum

When Hurricane Harvey decimated the Gulf Coast, causing some \$125 billion in damage, Congress responded with tens of billions in aid. What would Congress do if instead the damage took place over a more than decade? We are about to find out as Congress is trying to prevent the collapse of multiemployer pension plans that would eliminate the pensions of more than one million Americans, bankrupt thousands of small businesses, and add possibly hundreds of thousands of dollars to Medicaid and other taxpayer obligations.

### [The Hill](#)

## **Rhode Island Pension Plans Total \$2.4 Billion Shortfall**

May 14, 2018, By Example

More than one-third of Rhode Island's 34 locally administered pension plans are in critical-funded status with a combined shortfall of more than \$2.4 billion, according to a report from Rhode Island's Office of the General Treasurer.

"The condition of municipal pension plans is of great importance to the public employees who rely on pensions for retirement security, and to the taxpayers who fund pension systems," Rhode Island state Treasurer Seth Magaziner said in a release, adding that "many municipal pension plans face significant challenges."

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

## **California's Brown Says Cities on Their Own as Pension Tab Rises**

May 14, 2018, By Romy Varghese

As California's cities flounder under the rising cost of public pensions, they shouldn't expect the state to extend a hand.

While Governor Jerry Brown noted in his revised budget Friday that local governments face "even greater pressures" than the state in dealing with the expense, he said it's not up to the state to help.

### **[Bloomberg](#)**

## **Giant California Pension Fund Raises Bet on Tech**

May 14, 2018, By Noah Buhayar

The California State Teachers' Retirement System, the second-largest U.S. pension fund, is plowing more money into real estate in cities with strong growth, especially in tech.

Calstrs is starting a \$300 million venture with DivcoWest Real Estate Services LLC that will focus on buying commercial property in cities such as San Francisco, Seattle, Boston and New York that have "strong local economies and highly qualified workforces," according to a statement Monday. The investment builds on more than \$1.5 billion that Calstrs previously committed to the real estate investment manager.

### **[Bloomberg](#)**

## **U.S. pension reform panel sorely needed**

May 14, 2018, By Roger Schillerstrom

More than 55 years have passed since President John F. Kennedy established the first commission to examine the nation's private pension system, its strengths and weaknesses, and propose changes needed to improve it. That commission's work ultimately led to the passage of ERISA in 1974, and to the major changes that clearly were needed.

Almost 40 years have passed since the most recent retirement commission was established by President Jimmy Carter in 1979. But nothing came of that effort. Its key recommendation, for a mandatory universal private pension system, commonly referred to as MUPPS, was ignored.

### **[Pensions & Investments](#)**

## **State comptroller: Public pension fund nearing \$207 billion**

May 17, 2018, By Associated Press

The New York state comptroller says the state's public pension fund is nearing \$207 billion thanks to strong results from financial markets over the past year.

Democrat Thomas DiNapoli (dee-NAP'-oh-lee) announced Thursday that the New York State Common Retirement Fund had an estimated value of \$206.9 billion as of March 31, the end of the last fiscal year. He says the nation's third-largest public pension fund earned an estimated 11.3 percent return on investments.

### [The Wall Street Journal](#)

## **The Week in Public Finance: This Illinois Town Is on the Brink of Bankruptcy. How Many Will Follow?**

May 18, 2018, By Liz Farmer

Two cities in Illinois are facing a cash shortage thanks in large part to the state. And some say more cities may soon be facing the same fate. At issue is an eight-year-old state law that is designed to compel municipalities to fund their public safety pensions according to statutory minimum levels. In places that fail to do so, police and firefighter pension boards can petition the state comptroller to intercept state revenues due to the cities and towns.

### [Governing](#)

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

## **The Ink Is Almost Dry on Italy's 15% Flat Tax Rate**

May 13, 2018, By John Follain

Italy's populist duo has all but completed a governing plan that includes a flat tax as low as 15 percent, a guaranteed income for the poor and a lower retirement age as they prepare to seek a green light from the president on Monday.

Luigi Di Maio, 31, of the anti-establishment Five Star Movement said he and Matteo Salvini, 45, of the anti-immigrant League have refined the last details of their "Contract for the Government of Change" in a late evening meeting in Milan on Sunday, news agency Ansa reported.

### [Bloomberg](#)

## **IMF to launch global public and private borrowing database**

May 13, 2018, By Nick Fletcher

With global debt currently at a record high, the International Monetary Fund is launching a database of public and private borrowing across 190 countries – virtually the entire world – dating back to the 1950s.

In April the fund said the global economy was more indebted than before the financial crisis and immediate action needed to be taken before the next downturn. It said worldwide debt now stood at \$164tn, equal to 225% of global GDP and up from a previous record of 213% in 2009.

### [The Guardian](#)

## **China MSCI debut is about to put new stocks in your pension**

May 14, 2018, By Benjamin Robertson

China's stock market is about to go global like never before. On June 1, MSCI Inc. will add distiller Kweichow Moutai Co., brokerage Guosen Securities Co. and more than 200 other locally listed Chinese companies to benchmark equity gauges that guide the investment of US\$12 trillion. The New York-based index compiler will publish its final selection of so-called A shares on Monday, putting many of them on the buy lists of international retirement plans, endowments and exchange-traded funds for the first time.

### **[Financial Post](#)**

## **Canada Pension Plan Investment Board pledges 'huge push' on climate change risk assessment**

May 17, 2018, By Barbara Shecter

Canada Pension Plan Investment Board chief executive Mark Machin pledged Thursday to step up the assessment of global climate change risks to make better investment decisions, as the fund he oversees posted an annual net return of 11.6 per cent.

"We're going to make a huge push on it this year... We want to do a much better job of being able to understand the risks that we're taking on in each investment and the risks we have embedded in the portfolio, and make sure we're being paid for them," Machin said in an interview.

### **[Calgary Herald](#)**

## **Italian Bonds: Out in the Cold**

May 18, 2018, By Richard Barley

Europe, like the U.S., is getting higher bond yields—but for the wrong reason. The re-emergence of political risk in Italy thanks to the formation of an antiestablishment government risks resurrecting bad memories of the eurozone crisis, when contagion spread across the continent. For now, though, Italian misery may stay within its borders.

Italian yields climbed again Friday as the 5 Star Movement and the League agreed on a government program that includes tax cuts and scrapping pension reforms, reinforcing worries about a destabilizing clash with the rest of Europe over the country's high debt levels. Italy has little room to experiment with its public finances, and investors are rightly concerned.

### **[The Wall Street Journal](#)**

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