

TEXAS PENSION PLANS

Lawsuit over city pension bond decided but appeal planned

July 5, 2018, By Mark Gladstone

A lawsuit that contends Mayor Sylvester Turner misled voters into approving a \$1 billion pension bond referendum last year was decided on Friday in favor of Houston, according to a city news release.

The lawsuit says that city officials plan to use the bonds' passage to sidestep a voter-approved limit on the property tax revenue Houston can collect.

By contrast, the city's statement said the "ruling is important to the city's pension reform plan."

"These pension bonds are a critical part of our pension reform statute and plan, and I am very pleased with the judge's ruling," Mayor Turner added in the statement.

[Houston Chronicle](#)

TEXAS ECONOMIC INDICATORS

Mexico's new president brings uncertainty for Texas

July 2, 2018, By Luisa M. del Rosal

The election of a new president in Mexico spurred jubilation for some and worry for others. What does this landslide victory for Andres Manuel Lopez Obrador, known as AMLO, mean for Texas and North Texas?

Read some of the Mexican papers and analysis from Mexican scholars and thought-leaders, and notice they are full of hope. The authors hope that AMLO will truly battle corruption and be pragmatic about reforms, but they also admit they are uncertain of what to expect. I agree, we hope for change but worry about the AMLO's vagueness.

So, which AMLO will Mexico get: a pragmatic leader, a trade enthusiast, a populist, a social reformer, an isolationist, a nationalist, all of these, none of these?

For North Texas, all the different potential personas mean potential economic instability, as we wait to see if Mexico is still an economic partner. For North Texas businesses, certainty is a key factor for decision-making, so we could see a slow-down in investment, cooperation and business growth as a result.

The uncertainty of this new Mexican government's economic position should particularly cause concern as the U.S. economic policy looks inward. Texas might be left standing as the last believer in a neoliberal economic order. Texas might have the economic might to stand alone, but that is not a good position to be in. Especially since the Texas economy is deeply integrated with Mexico, the source of great economic gain.

[Dallas News](#)

NATIONAL PENSION, INVESTMENTS & LEGAL

Agencies will have to send \$100 million more to pensions

June 29, 2018, By Jeff Amy

Public agencies will have to contribute another \$100 million toward worker pensions beginning July 1, 2019, after a vote by the Public Employees Retirement System of Mississippi.

Citing projected shortfalls, the system's board voted to increase the share of a worker's salary that an employer must give from 15.75 percent to 17.4 percent.

Lawmakers will decide whether and how to cover the state's share in the 2019 legislative session, months before elections.

Tuesday's vote followed months of discussion, triggered by projections that the system wouldn't meet a long-term goal of assets equal to at least 80 percent of liabilities.

[Houston Chronicle](#)

Why California Is Losing Teachers and Laying Off Secretaries

June 29, 2018, By Allysia Finley

California property taxes, which fund local governments, are capped by the state constitution's Proposition 13 at 1% of a home's value and can't rise by more than 2% annually. So although housing costs have soared since the recession—the median home price in San Francisco is \$1.6 million—cities and school districts aren't rolling in the dough.

At the same time, municipalities are getting socked with big bills from the California Public Employees' Retirement System and the California State Teachers' Retirement System, known as Calpers and Calstrs. For years the two funds overestimated their investment returns while underestimating their expected payouts. This helped keep local-government and worker pension costs low for a while, but now the state, cities and school districts are having to play catch-up.

School-district pension costs have more than doubled since 2013, and the state legislative analyst's office predicts they will climb another 30% over the next two years.

[The Wall Street Journal](#)

Retirement legislation could be hot topic in 2019, conference attendees told

July 2, 2018, By Meaghan Kilroy

Next year could be a very active year for national retirement legislation, said speakers at the Kohler Retirement Plan Advisor Conference in Wisconsin on June 24-26.

Staff members for Rep. Richard Neal, D-Mass., have indicated retirement reform will likely be Mr. Neal's No. 1 priority, should Democrats take the House of Representatives in the November election, said Robert A. Holcomb, vice president of legislative and regulatory affairs for Empower Retirement, in a June 25 address on retirement legislation and regulation.

[Pensions & Investments](#)

Connecticut cities' pensions are in a tougher spot than state's

July 5, 2018, By Paul Burton

Better management may not be enough to stabilize pension funding in Connecticut's major cities, according to the Manhattan Institute for Policy Research.

"Dramatic retirement benefit reform" -- such as phasing out defined-benefit pension plans -- may be more urgent for Hartford, New Haven, Bridgeport, Stamford and Waterbury than for state pension funds, senior fellow Stephen Eide said in a report for the right-leaning think tank.

"While the state's record of pension mismanagement is well documented, cities have been guilty of mismanagement as well," said Eide. "However, for the state's five biggest cities, the question of affordability is more important than mismanagement."

Property tax revenue hasn't kept up with the need for more pension funding in New Haven, Hartford, and Stamford, according to Eide.

Capital city Hartford, which has flirted with bankruptcy the past two years, is under a bailout deal with the state, known formally as a contract-assistance agreement.

[The Bond Buyer](#)

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