

## TEXAS PENSIONS

### **\$93M Deal Brings Upgrade and Downgrade to Odessa**

August 5, 2019, By Richard Williamson

The city of Odessa in the heart of the Permian Basin oil-producing region of West Texas received an unusual split credit rating as it prepared to issue \$93 million of certificates of obligation.

S&P Global Ratings not only downgraded the city's general obligation credit to A-plus from AA-minus but maintained a negative outlook based on unresolved pension funding issues.

"Although the city's operating results have been very strong and its reserve and liquidity position remains very strong, we believe the lower-than-actuarially recommended contributions to the OFRRF [Odessa Firefighters Relief and Retirement Fund] are not reflected in audited results," said S&P Global Ratings credit analyst Alexander Vargas.

### [The Bond Buyer](#)

### **Texas County & District Returns 6.4% for Year**

August 14, 2019, By Rob Kozlowski

Texas County & District Retirement System, Austin, returned a net 6.4% for the year ended June 30, according to a quarterly investment report posted on the pension fund's website.

The \$28.3 billion pension fund's preliminary one-year return exceeded its policy benchmark return of 5.7%. For the three, five and 10 years ended June 30, the pension fund returned an annualized net 9.5%, 5.9% and 9.2%, respectively, ahead of their respective benchmarks of 8.7%, 5.1% and 8.3%. TCDRS' fiscal year ends Dec. 31.

### [Pensions & Investments](#)

## TEXAS ECONOMIC INDICATORS

### **El Paso Suffers \$11 Million Economic Loss Due to Mass Shooting**

August 13, 2019, By Michael Gordon

According to a comprehensive economic algorithm constructed by University of Texas El Paso Prof. Thomas Fullerton, the tragedy triggered a sharp drop in consumer confidence and fears over shopping in public areas.

### [KVIA El Paso](#)

## **Escalating U.S.-China Trade War Causing Alarm in Texas Agriculture and Oil Industries**

August 14, 2019, By Brad Johnson

Overall, China represents Texas' third-largest trading partner.

In the absence of American farmers trading with Chinese consumers, Ribera also pointed out that one of America's main soybean competitors, Brazil, will fill the void — cutting American farmers out of that part of the market.

January through June of this year has seen a 34 percent drop in trade from Texas to China compared to the same time frame last year.

[The Texan](#)

# **NATIONAL PENSION, INVESTMENTS & LEGAL**

## **Case Studies Suggest Move from Public Pensions Hurts Taxpayers**

August 8, 2019, By Rebecca Moore

A new series of case studies finds that states that shifted new employees from defined benefit pensions to defined contribution or cash balance plans experienced increased costs for taxpayers, without major improvements in funding.

The research, published by the National Institute on Retirement Security (NIRS), also indicates that the move away from pensions cuts employees' retirement security and that employers may face increasing challenges hiring and retaining staff to deliver public services.

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## **U.S. Pension Returns Trail Targets for First Time in Three Years**

August 12, 2019, By Martin Z. Braun

U.S. public pensions posted their weakest performance in three years, falling a percentage point short of their investment targets, and the prospect of rock-bottom interest rates and a trade-war induced recession could put a greater strain on state and city retirement plans.

The median U.S. public pension returned 6.2% in the fiscal year ending in June 30 after paying fees to investment managers, according to Norwalk, Connecticut-based InvestmentMetrics, which provides analytics to institutional investors. Pensions assume a median annual investment return of 7.3% to cover promised benefits.

"The market is challenged," said Farouki Majeed, chief investment officer of the \$14.7 billion School Employees Retirement System of Ohio, which returned 6.6%, short of its assumed 7.5% return. Over a 10-year period, the fund has returned an annualized 9.4%. "We certainly don't expect that over the next 10 years."

[Bloomberg](#)

## **National Public Pension Coalition's Legislative Analysis Shows Gains in 2019**

August 13, 2019, By Hazel Bradford

Public pension advocates had some good news to celebrate in several states' legislative sessions this year, according to an analysis by the National Public Pension Coalition released Monday.

In Texas and New Hampshire, retired public employees received a cost-of-living adjustment for the first time in more than a decade.

Participants in the \$152.2 billion Texas Teacher Retirement System, Austin, will get a 13th check this year, despite the pressure of lower discount rate assumptions from previous years that increased unfunded liabilities.

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

## **YIELD CURVE INVERTS: Recession Indicator Flashes Red for First Time Since 2005**

August 14, 2019, By Brian Cheung

The market's most closely watched part of the yield curve inverted today, and if its record over the last half-century is any indicator, the U.S. could be headed for a recession soon.

Shortly after 6 a.m. ET on Wednesday, the yield on the 10-year U.S. Treasury bond dipped below the yield on the 2-year U.S. Treasury as the 10-year fell 1 basis point below the 2-year. The yield curve inversion has a strong track record of predicting a recession; each of the last seven recessions (dating back to 1969) were preceded by the 10-year falling below the 2-year.

Ahead of the last recession, the yield curve inverted briefly as early as December 27, 2005, about two years before the financial crisis sent the economy into recession.

### **[Yahoo! Finance](#)**

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