

TEXAS PENSION PLANS

Austin Firefighters Fund Matches Benchmark with 5.6% Return for Year Ended June 30

August 26, 2019, By Christine Williamson

Net returns of the Austin (Texas) Firefighters Relief & Retirement Fund met or exceeded those of the fund's static benchmark for the year and multiyear periods ended June 30, a performance report from the \$980 million fund showed.

In the year ended June 30, both the fund and its static benchmark returned a net 5.6%.

In comparison, the firemen's fund returned a net 8.9% and the static benchmark, 7.9%, in the 12-month period ended June 30, 2018.

For longer time periods ended June 30, net annualized returns for the overall portfolio exceeded those of the benchmark. For three years, the total fund net return was 9.3%, vs. 8.7% for the static benchmark; five years, 6.3% (6%); and 10 years, 9% (8.9%).

The asset allocation of the fund as of June 30 was fixed income, 30.7%; international equity, 21.2%; private equity, 19.4%; domestic equity, 16.3%; real estate, 8.8%; natural resources, 2.6%; and cash, 1%.

Pension & Investments

Austin Police Pension Fund Facing Trouble

August 28, 2019, By Jo Clifton

The Austin Police Department's retirement system is in considerable trouble, with actuaries predicting that the fund will run out of money within 50 years unless the city and the officers who are members of the system reach an agreement to change current contribution levels, benefits and/or try a more novel approach.

Like other retirement funds, the Austin Police Retirement System suffered a significant loss in 2018. That loss, at \$43.6 million, put the system's rate of return in negative territory for 2018, at -6.18 percent, according to the report released Aug. 21.

Pattie Featherston, executive director of the Austin Police Retirement System, told the *Austin Monitor* via email, "The global stock markets were all down for 2018. The broad-based domestic Russell 3000 Index was down -5.24 percent, midcap growth was down -4.75 percent, midcap value was down -9.06 percent, small cap value was down -12.86 percent, and international markets were down -13.78 percent. Returns were looking good until December 2018, but they experienced a significant downturn that impacted the calendar year."

Austin Monitor

TEXAS ECONOMIC INDICATORS

Texas Economic Sectors Expand, but Trade Tensions Cloud Outlook

August 27, 2019, By Bob Sechler

Uncertainty regarding mounting global trade tensions is taking a toll on business confidence in Texas, according to new reports from the Federal Reserve Bank of Dallas, even as key sectors of the state's economy continued to expand in August.

The manufacturing production index, a barometer of Texas factory output devised by the Dallas Fed, hit its highest level in nearly a year, with a reading of 17.9, accelerating sharply from 9.3 in July. Still, the index measured 28.7 in August 2018, and "comments (this month) from Texas business executives continue to cite concerns regarding tariffs and trade tensions, particularly with China," for injecting unpredictability into manufacturing outlooks, the Dallas Fed said.

Meanwhile, a central measure of the state's service sector, called the revenue index, fell substantially in August but remained positive. It came in at 7.8, down from a reading of 20.9 in July and a reading of 21 in August a year ago.

[Austin American-Statesman](#)

City OKs \$5.7M in Incentives for New Southern Dallas Kroger Warehouse to Create Hundreds of Jobs

August 27, 2019, By Maria Halkias

The Dallas City Council on Wednesday morning unanimously approved \$5.7 million in property, business tax abatements and bond funds for a new Kroger warehouse in southern Dallas.

Kroger said the new warehouse, which will fill online orders of fresh groceries, will also help solve some of the food desert issues in southern Dallas and create jobs for area residents. The building will take 24 months to complete.

[The Dallas Morning News](#)

Texas Cities Gained Most Jobs in Nation in July

August 27, 2019, By Erin Douglas

Texas cities led the nation in job growth this summer, according to the U.S. Bureau of Labor Statistics.

Among the 12 largest metro areas in the country, Houston ranked second in the nation for its rate of annual job growth of 3 percent in July, only beat out by Dallas, which had an annual growth rate of 3.5 percent. That was double the growth rate of the nation, which had 1.5 percent growth in jobs during July.

Houston's manufacturing sector added 11,000 jobs in July from a year ago, an increase of 4.8 percent, which was much stronger gains than the nation's manufacturing sector, which only added 1.2 percent in the month of July.

NATIONAL PENSION, INVESTMENTS & LEGAL

New York Law Aims to Protect Veterans from Pension Poaching

August 25, 2019, By Andrew Cuomo

New York has a new law designed to protect older and disabled veterans from so-called pension poaching.

Pension poaching occurs when financial planners, insurance agents or others claim they are assisting veterans and their families get federal benefits, but are really convincing veterans to reposition their assets to qualify for benefits they are ineligible for. The poachers then often sell the veterans unneeded financial products or services.

[CBS New York](#)

Audit: Kentucky Pension Funds Fall 'Drastically Short' in Meeting Transparency Law

August 27, 2019, By Tom Loftus and Joe Sonka

Kentucky's big public pension systems fall "drastically short" of complying with a two-year-old law that requires them to disclose how they invest their money and how much they pay money managers, a state audit has found.

A 2017 law known as Senate Bill 2 required greater transparency from Kentucky's retirement plans, but a report from Kentucky Auditor Mike Harmon on Tuesday concluded both Kentucky Retirement Systems and Teachers' Retirement System have fallen far short of meeting the law's requirements.

[Louisville Courier-Journal](#)

Private Equity Powers Public Pension Portfolios

August 28, 2019, By Michael Katz

Private equity continues to be the top-performing asset class for public pension portfolios, according to research from the American Investment Council (AIC).

The AIC publishes an annual report that examines the returns of the largest public pension plans in the US, and for each of the past seven years, the report has found private equity to be the top-performing asset class for public pension funds. The study analyzed 165 US public pension funds that represent over 20 million public sector workers and retirees.

[Chief Investment Officer](#)

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