



PENSION PRESS

The Newsletter of the Houston Municipal Employees Pension System

www.hmeps.org

Board of Trustees Election Results in Two Re-elected and One New Trustee

Election Results

In results announced August 29, Sherry Mose, Mark V. Mancuso and Ray Kennedy were elected to the Board of Trustees. In the Trustee election, conducted under the independent administration of Mir, Fox & Rodriguez, P.C., Sherry Mose was re-elected as the employee Trustee in Position 5 and Mark V. Mancuso was elected for his first term as the employee Trustee in Position 6. In the retiree Trustee election, Ray Kennedy was re-elected as the retiree Trustee in Position 8. *Turn to Page 4 for biographies of each of the newly elected Trustees.*



HMEPS Chairman Fred Holmes administers the oath of office to newly elected Board Trustees, from left, Sherry Mose, Ray Kennedy and Mark Mancuso.

The following are ballot results for each election:

<u>Position 5</u>		<u>Position 6</u>		<u>Position 8</u>	
Charlie Kemper	236	Terrence Ardis	363	Samuel Ray Kennedy	1,018
LeRoy Robinson	167	Mark V. Mancuso	620	Lee Pipes	338
Sherry Mose	831	Iraj A. Mahvash	245	Lloyd Cox	89

HMEPS Takes Part In First Financial Fitness Expo

HMEPS was a participant in the first City Financial Fitness Expo, which included presentations to City employees on the importance of practicing financial fitness. Attendees were told to give more careful attention than ever to the time-proven “three-legged tool” concept that identifies three major sources of retirement income: Social Security benefits, personal savings, and their pension plan.

To assist in that effort, the Expo brought City employees together with representatives from HMEPS, the police pension system, the firefighter retirement fund, the Social Security Administration, and outside financial firms in an interactive setting that provided tips on proper financial planning.

“This event was special in that many City employees have never had the opportunity to receive financial input,” said HMEPS Board Trustee Sherry Mose, who helped coordinate the Expo.

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Above, Expo attendees obtain information from participating vendors’ tables. Below, attendees listen to a presentation on retirement during the Expo.



The Pension Protection Act of 2006: Will It Affect You?

The Pension Protection Act of 2006 signed by President Bush in mid-August is over 900 pages long and contains many provisions that have wide-spread application for all retirement plans, including rules regarding service purchases, pension portability, distribution requirements, and taxation issues. The Act also eliminated the “sunset” provisions of The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), thus permanently extending provisions of specific interest to governmental plans. Although most of the Act’s sweeping changes affect private-sector plans, there are many important changes that may prove to be of benefit to governmental plans and participants.

HMEPS has posted on its website (www.hmeps.org) a link to the Gabriel, Roeder, Smith & Company (GRS) website, where you can view a summary prepared by GRS regarding “Pension Protection Act Provisions for State and Local Governments.”

However, you should consult with your financial advisor or legal counsel regarding the application of the Act’s changes to your specific circumstances.

Would You Like HMEPS Staff To Visit Your Department? Just Call Us!

HMEPS benefit counselors and communications staff are ready to visit your department, no matter what the time or location. Visits can be arranged for groups ranging in size from one to several hundred. **If you would like to schedule a field visit, please call the HMEPS office at 713-595-0100 and ask to speak with Terri Murray.** Members can, of course, arrange to visit with their benefit counselors at the HMEPS office.

Pension Press Gets a Makeover

Yes, the *Pension Press* is changing. And we hope you like it. As part of our continued efforts to be more user-friendly, the *Pension Press* will now be printed in color and have additional features. If you have any suggestions for future editions of the *Pension Press*, please call Peter Koops at 713-595-0100.

You Never Know What Will Show Up at the Retiree Luncheon!

Retirees who attended the latest luncheon were surprised to see some special friends, including a Model A automobile. Ray Bartula, husband of HMEPS retiree liaison Lynnette Bartula, drove his prized Model A to the latest lunch bunch luncheon. Bartula said he enjoyed taking the car out for a spin, and that eating at Luby’s is always a “good excuse to me!”

If you are an HMEPS retiree and would like to attend the next lunch bunch meeting, simply call Betty Daniel at 713-697-3818. They meet at 11 a.m. on the first Saturday of each month at the Luby’s restaurant at 1414 Waugh Drive. All retirees of HMEPS and their spouses and friends are welcome. You never know who (or what) may show up!



HMEPS retiree liaison Lynnette Bartula and husband, Ray, showed up at the latest lunch bunch luncheon in Ray’s Model A. Photographs by HMEPS retiree Gary Nathanson.

HMEPS Investments Are Solid

The HMEPS investment team has been working hard to improve our bottom line and their efforts have been paying off. Here are some highlights:

- The portfolio earned an investment return of 18.11% for Fiscal Year 2006 (which ended on June 30, 2006). This added over \$300 million to HMEPS' assets.
- HMEPS has earned an annualized return of 16.9%, 9.0% and 9.1% over the trailing three, five and ten-year respective periods ending June 30, 2006.
- HMEPS' annualized returns for the periods mentioned above (one-, three-, five- and ten-year periods) exceed its actuarial return rate of 8.5%.
- When compared to a universe of HMEPS' public fund peers, these investment returns are very favorable. HMEPS' one- and three-year returns are ranked at the top of the Wilshire Public Fund Universe, a widely used public fund database. The five-year return ranks in the fifth percentile, and the ten-year return ranks in the 31st percentile of the same universe.

HMEPS ended FY 06 with approximately \$2.1 billion in assets, its first fiscal year over the \$2 billion mark.

HMEPS Investments As of June 30, 2006

Market Values as of June 30, 2006

Domestic Equity	\$	479,238,188
International Equity		354,937,263
Fixed Income		315,873,784
Real Assets		279,631,963
Alternative Investments		261,757,939
Cash Equivalents		27,046,065
City of Houston Pension Obligation Note		336,182,428
Total Fund	\$	2,054,667,631

HMEPS' Trustee Gilbert Garcia and Financial Analyst Greg Brunt Earn CFA Certification

In the financial world, earning your Certified Financial Analyst (CFA) certification is an honor and an indication that you attained a level of expertise in your field. It also means you passed a grueling three-hour exam! HMEPS' Trustee Gilbert Garcia and Financial Analyst Greg Brunt recently earned their C.F.A. certifications, for which we applaud their efforts.



Gilbert Garcia
Appointed Trustee



Greg Brunt
Financial Analyst

- For the first six months of calendar year 2006, HMEPS' investment return was 7.84%.

Member Questions to Benefit Counselors

Dear HMEPS,

"I have questions about my health insurance. Could you tell me where I can get more information?"

Answer: HMEPS does not administer the retiree health insurance program and cannot answer questions related to health insurance. All questions related to health insurance should be directed to the City of Houston, Dept. of Human Resources - Benefits Division. The main phone numbers are 713-837-9400 or 888-205-9266.

Get to Know Your Trustees

Newly Elected Trustees Bring Experience, Education and Commitment to HMEPS Board



Sherry Mose
Elected
Trustee
Position 5

Sherry Mose is the Plan Administrator for the City of Houston and has overseen the City's Deferred Compensation Program since 1989. Sherry served as president for the National Association of Government Defined Contribution Administrators (NAGDCA) in 2000-2001.

In 1998, Sherry was elected to the HMEPS Board of Trustees.

She received her Chartered Trustee (CT) and Chartered Pension Executive (CPE) designations from the National Society of Pension Professionals, as well as Certified Retirement Administrator (CRA) and Certified Retirement Counselor (CRC) certifications in 1999 from the International Foundation for Retirement Education (InFRE).

Sherry is the community service chairperson for the Houston chapter of the National Forum for Black Public Administrators (NFBPA) and was involved in the School-To-Work program with the Houston Independent School District. She is also president on the New Members Orientation Committee at the Brentwood Baptist Church in Houston.

Prior to joining the City of Houston in 1989, Sherry worked for a private firm, which provided services to the 457 deferred compensation market. She received her B.A. from the University of Louisiana at Lafayette, Louisiana.

Mark V. Mancuso is Deputy Director of Public Safety and Technology for the Houston Airport System. He was appointed to the position of Deputy Director on April 7, 2002, upon retirement as a captain from the Houston Police Department. In his position, Mark is responsible for security, traffic management, information technology and public safety services at George Bush Intercontinental Airport (IAH), William P. Hobby Airport (HOU), and Ellington Field (EFD). Additionally in his position, he is the Houston Airport System's primary liaison to all of the Federal Law Enforcement agencies that support the Airport System as well as the Transportation Security Administration (TSA) and coordinates directly with the Federal Security Directors assigned to each airport.



Mark V. Mancuso
Elected
Trustee
Position 6

Before joining the Houston Airport System, Mark was a Division Commander with the Houston Police Department responsible for police operations at Bush Intercontinental Airport. He earned a B.S. in Administration of Justice at Roger Williams University and is a graduate of the FBI National Academy in Quantico, Virginia, as well as a graduate of the Secret Service Dignitary Protection School in Washington, D.C. In addition, Mark is a trained mediator.



Ray Kennedy
Vice
Chairman
Position 8

Ray Kennedy is a consultant to a local engineering firm in the Houston area. He worked for the City of Houston's Traffic and Transportation Department for more than 35 years. At the time of his retirement he was the Assistant Director of Public Works and Engineering and head of the Traffic Management and Maintenance Division.

In 1994, Ray was elected to the HMEPS Board, and he currently serves as Vice Chairman of the Board.

The Duties of HMEPS Trustees

Dear Plan Participants,

With the recent election cycle behind us, the HMEPS Board is well positioned to move into the future. I want to congratulate Mark Mancuso, Sherry Mose and Ray Kennedy for their successful efforts in the election and thank former Trustee Lee Pipes for his dedication to HMEPS while he sat on the Board.

Being an HMEPS Trustee is a duty each Trustee takes seriously. We work hard to do what's right for you, the members. We have numerous specific responsibilities with respect to the plan, its fund and its administration, and they fall largely in four areas:

- Pension benefit responsibilities
- Pension plan funding responsibilities
- Plan fund investment responsibilities
- Pension Plan administration other than investment

Each Trustee is a fiduciary, which encompasses the duty of care and the duty of loyalty. This requires the Trustee to act with the care, skill, prudence and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with matters of the type would use in the conduct of an enterprise with a like character and like aims. The duty of loyalty requires the Trustee to bear an unwavering duty of complete loyalty to the participants and beneficiaries of the fund, to the exclusion of the interest of all other parties.

An elected Trustee serves a four-year term without compensation, attends monthly board meetings, serves on committees as appointed and attends committee meetings, and obtains ongoing training and education in pension and pension-related matters.

Trustees must strive to remain informed in key areas of concern to HMEPS participants, including investment performance and selection of investment professionals; administrative, legal and regulatory requirements; and state and federal legislation that directly affects participants and their beneficiaries.

Trustees have a huge responsibility to ensure HMEPS' investments are performing adequately. Our Trustees have done an exceptional job in this area. For example, for Fiscal Year 2006 (which ended June 30, 2006) HMEPS' investment return was 18.11% and our portfolio's total market value was \$2,054,667,631.

The HMEPS Trustees work diligently for our participants. I thank you for your support in our endeavors now and in the years ahead.

Sincerely,

Fred Holmes
Chairman

The HMEPS Board of Trustees



Fred Holmes
Chairman



Ray Kennedy
Vice Chairman



Roderick J. Newman
Secretary



Sophia Chang
Elected Trustee



Mark V. Mancuso
Elected Trustee



Sherry Mose
Elected Trustee



Barbara Chelette
Appointed Trustee



Gilbert Garcia
Controller Appointee



Alfred Jackson
Council Appointee



Richard Badger
Council Appointee



Craig T. Mason
Mayoral Appointee

Executive Director



David L. Long

Retirements – June 2006 to August 2006

Aviation

Casas, Carol
Dawson, Judy
Gauv, Sen Kim
Guy, Joyce
Purswell, Brenda
Reece, Roy
Robinson, Doris*
Rodgers, Delores
Rodriguez, Carlos
Schindewolf, Trudy
Sena, Melinda
Trevino, Diego

Building Services

Badowski, James
Caldwell, Constance
Waldon, Gerald

Finance & Administration

Caro, Steve
Garces, Johnny
Green, Mary
Wilkerson, Suzon

Fire

Conrey, Clifford

Health & Human Services

Dau, Bui Dinh*
Duvan, Diem-Chi*
Harrison, John
Rice, Tiffany*

Houston Emergency Center (HEC)

Taylor, Geraldine
William, Lawrence

Human Resources

Vara, Lonnie

Legal

Harrison, Tammie*
Herrera, Douglas
Reed, Stacey Paul*

Library

Clerc, Albert

Haas, Roger*
Hanlon, Ella
Harris, Margaret
Leahy, Sheila
Lynch, Terence

Municipal Courts

Almengor, Dora
Richmond, Gwendolyn

Parks & Recreation

James, Larry
Morrison, Wendy*
Quinones, Paulin

Police

Audish, Paul
Adler, Gary
Braggs, Tangela*
Epperson, Reginald
Jones, Joann
Miller, Darlene
Ryan, Kit
Small, Helen*
Wells, LaSandra*

Wesley, TZ
Wilkes, James*

Public Works & Engineering

Branch, Albert James
Carranza, Victor*
Costilla, Jesus
Castillo, Jose Manuel
Cavanaugh, Dennis
Daniels, Jackson
Dorn, Alonzo*
Fiederlein, Robert*
Foteh, Natalie*
Guess, John*
Hatfield, John*
Hawkins, Charles
Jackson, Richard
Jones, Donna
Jones, Patricia
Kneeland, Kenneth*
Langford, Elliot
Nguyen, Trac
Nguyen, Tuyet
Orange, Freeman
Pedraza, Isidro

Rivas, Joe
Spiller, Joseph
Vancil, Earl
Washington, Leonard
Williams, May Belle*

Solid Waste

Adams, Marilyn
Allen, Frank*
Bolton, John
Johnson, Otis
Jones, Donna
Jones, Quinton Jr.
Moreno, Hidalgo
Nguyen, Dung Van
Perales, Francisco

*Deferred Retirement

In Remembrance

Active Employee and Retiree Deaths – June 14, 2006 to August 31, 2006

HMEPS received notification of the following participants' deaths. We wish to remember these individuals and their dedication and service to the City of Houston.

Alexander, Billy	Covarrubio, Manuel	Johnson, Perry	Ortega, Narcisa**	Shelton, Ruby**
Bartkowiak, Louis	Cox, William O.	Joseph, James	Ozbun, J. W.	Sherman, Georgia
Basey, Naomi**	Cozart, F.**	Jozwiak, Adam	Peavy, Joyce**	Sims, Sherry
Blakely, Percy	Crooks, Louise	Julian, W. J.	Powell, James**	Swilley, Lucille**
Branch, Elsie	Estrada, Fernando*	Latson, Edgar	Purington, Winfrey**	Wills, Felix
Bryant, E. E.**	Featherston, C. R.	Lemma, H. J.	Rias, Ernest	Wisnoski, Lillian**
Busby, Mildred**	Fields, Bruce	Maloy, Elza	Rodriguez, Nicolas	
Buu, Chau	Frame, Richard	McAlpine, Dorothy**	Romano, Ernest	*Active Employee Death
Caldwell, Frances	Gubbs, Arthur**	Moncrief, Clytie**	Rushing, Ronald	**Surviving Spouse
Carpenter, Katie	Hanson, Louis	Morris, Dorothy**	Sandles, Bobby	
Chevalier, Anthony	Harrison, Herbert	Morton, Murel	Sartain, James*	
Clavelle, Corine**	Herrera, Felix	Norris, Victor	Sciba, Dale	
Coleman, Sharon	Johnson, Michael*	Oliver, Amy	Sears, Gerald	

Pension Payment Schedules: September - December 2006

The following are the dates pension benefit checks will be mailed in the months ahead. The schedule will be strictly adhered to. Keep this schedule handy so you know when your benefit check will be mailed.

- September 27, 2006
- October 27, 2006
- November 28, 2006
- December 27, 2006

Direct deposits (ACH) will be deposited on the last business day of each month, as follows:

- September 29, 2006
- October 31, 2006
- November 30, 2006
- December 29, 2006

If you are interested in direct deposit of your pension benefit checks, please call our office at 713-595-0100.

Getting Divorced and Have Questions About How It Will Affect Your Pension?

No matter what transition you're facing in life, HMEPS can help you understand how your benefits are affected by the changes taking place.

If you are divorced or going through a divorce and have questions about the process and how it will affect your HMEPS pension, call the office at 713-595-0100 and talk with Angie Calenda. She will go through all your questions and help you get answers.

HMEPS Online

Remember, you can always find HMEPS online at:

www.hmeps.org

The HMEPS website gives you access to forms, information, news and more. If you don't have a computer, don't worry – all City of Houston libraries have them!

Expo Highlights Financial Discipline, Importance of Pension

(Continued from Page 1)

“This was a win-win for the attendees and vendors alike because everyone benefited from the other's presence.”

A few tips given at the Expo:

- Define your retirement needs and expectations
- Estimate savings and investment goals
- Choose vehicles to accumulate retirement assets
- Design a retirement income strategy

Mose said she would like to have more of these types of events.

“We did not actually know how many of our members would be interested in these topics,” she said. “We were overwhelmed – but in a good way!”

HMEPS members are reminded to call the HMEPS office at 713-595-0100 when they have questions or need information about their benefits or retirement.



Above far left and far right, Sherry Mose, HMEPS Board Trustee, and Carole Snyder, Benefits Manager at HMEPS, listen to employees' questions.

Pension Press

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BOARD OF TRUSTEES

ELECTED AND APPOINTED TRUSTEES

Fred Holmes, *Chairman*
Ray Kennedy, *Vice Chairman*
Roderick J. Newman, *Secretary*
Shiou-Huey “Sophia” Chang
Mark V. Mancuso
Sherry Mose
Barbara Chelette, *Appointed*

CITY APPOINTED TRUSTEES

Richard Badger
Gilbert Garcia
Alfred Jackson
Craig T. Mason

PENSION PRESS

David L. Long, Executive Director
Peter Koops, Director of Communications
Naomi “Amy” Rowley, Executive Assistant

Thanks to the HMEPS staff for their contributions
to the ongoing success of the *Pension Press*.

NEWSLETTER CONTENT

The material contained in this newsletter is intended to provide you with important information about your pension participation. The content cannot be taken as the basis of any contractual rights between HMEPS and its participants. If there is a question of interpretation, retirement laws are the final authority.

HMEPS Contact Information

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