



# Pension Press

The Newsletter of the Houston Municipal Employees Pension System

Volume 23, Spring 2004



Fred Holmes  
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Executive Director

## LETTER FROM THE CHAIRMAN

### SHARING A PERSONAL VIEW

Dear Plan Participants,

I would like to take this opportunity to address some of the questions and concerns that you, our participants, have expressed regarding the news you have heard and read about in recent weeks about HMEPS and the upcoming opt-out election. First, I would like to reassure you that the Board and staff of HMEPS are committed to working with all interested parties to identify any problem areas that might exist and to develop solutions that are effective, meaningful and in the best interests of participants.

*"I urge you to vote in the upcoming [May 15th] election to express your views on this important matter."*

HMEPS has been there for its participants for 60 years, and we are going to be there for another 60 and beyond. Investment returns and funded levels have gone through cycles over the years, with some very good years and some not so good years. However, a pension fund such as HMEPS has a long-term horizon--the Board knows this and strategically plans for the long term. Your Board members have over 130 years of combined hands-on experience to steer the board and provide benefits for City employees.

Over the past decade, your elected trustees have worked diligently with City officials to help implement changes in state law that provide participants and their families with stable and secure retirements. We will continue to do everything we can to ensure that you have a good pension that you and your loved ones can rely on, and a board that will deliver those benefits and pension services in a professional manner.

The City has called for an election on May 15, 2004 to attempt to exclude the City and the pension systems from the

recently passed state constitutional amendment that prohibits reducing or impairing accrued benefits. We have provided additional information on the election on pages 2-5 of this newsletter. I urge you to vote in the upcoming election to express your views on this important matter.

Regardless of the outcome of the election, it is the desire of the HMEPS Board to continue working with the City Administration to help find fair and meaningful solutions to the funding shortfall, without our partici-

Con't on page 2

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## Chairman Holmes' Letter Con't.

pants losing their accrued benefits. We know that changes will have to be made to the pension plan, and we will certainly meet and discuss constructive, meaningful requests from the City to review the problem. We have hired a new independent actuary for the Board. We intend to review any and all options on the table, and we will share our informational projects in this area with the City.

City employees and retirees want to make sure that their pension plan moves on into this century in a solid manner. It is what we trustees work long and hard to achieve. In the 1970's, the municipal fund totaled \$250,000,000; as of today there is over \$1.4 billion in the fund. Houston pension boards have stood side-by-side with City representatives in the last several legislative sessions to help implement important benefit improvements for City employees and retirees. We ask only that the City Administration, City Council, employees, unions, retirees and HMEPS Board work together with the same cooperation and teamwork in the future. I

know it can be done, because I have been there in Austin and Houston and witnessed it.

Thank you for your continued support.

Sincerely,

*Municipal Board Trustee, 33 years*

*Municipal Board Chairman, 13 years*

*Member, AFSCME 1550 Retiree Program*

*Past President and Current Member of The Board of Directors- Texas Association of Public Employee Retirement Systems*

*Chairman*

## What Is An Opt-Out Election?



**Louis McKinney,  
Trustee**

On September 13, 2003, Texas voters approved an amendment to the Texas Constitution that added Article XVI, Section 66 (the "Constitutional Amendment"). The Constitutional Amendment prohibits reducing or impairing the "accrued" retirement or death benefits of vested members and retirees provided by the public retirement systems of political subdivisions, including HMEPS.

**Opt-Out Election.** The Constitutional Amendment provides a one-time opportunity for political subdivisions to hold an election to exclude themselves, or to "opt out," of the Constitutional Amendment. The City has called such an election on May 15, 2004 to allow voters to vote "FOR" or "AGAINST" opting out (see page 3, opposite, for the ballot language of Proposition No. 1 and pages 4-5 for early voting times and locations). If a majority of the people who are voting decide to vote "FOR" the proposition, the prohibitions against reducing or impairing accrued benefits of vested

employees and retirees will no longer apply to participants of HMEPS and the other Houston pension systems, Houston Police Officers' Pension System (HPOPS) and Houston Firefighters' Relief & Retirement Fund (HFRRF). If a majority of the people who are voting decide to vote "AGAINST" the proposition, the accrued benefits of vested employees and retirees in HMEPS, HPOPS and HFRRF cannot be reduced or impaired. However, no matter whether the opt-out passes or fails, State law requires that any changes to the pension systems would have to be approved by the board of trustees of the respective systems or the State Legislature.




Several participants have asked whether there are any other cities in Texas having an opt-out election. At this time, we know that Galveston and Texas City are holding opt-out elections. Dallas has decided not to have one. I urge you to read the information on pages 3-5 so that you understand the language of Proposition No. 1 that is on the ballot, and know when and where voting will take place.

# Opt-Out Election (Proposition 1) Sample Ballot

On May 15, 2004, voters will be asked to vote "FOR" or "AGAINST" the following proposition:

## Proposition No. 1

Shall the City of Houston, Texas, and the retirement systems it finances, exercise the constitutional right to be exempt from the application of the provisions of Article XVI, Section 66 of the Texas Constitution, adopted in 2003, entitled Protected Benefits Under Certain Public Retirement Systems?

 210000011100 <b>Sample Ballot</b> 0200090641 	<p><b>Special Election</b>  <i>Elección Especial</i>  <b>City of Houston, Texas</b>  <i>Ciudad de Houston, Texas</i>  <b>May 15, 2004 - 15 Mayo 2004</b></p> <p style="text-align: right;"><b>Precinct Precincto 0001</b></p> <hr/> <p><b>Instruction Note:</b>                  TO VOTE: Mark the ballot by placing an "X" in the square beside the proposition of your choice.  <i>Nota de Instrucción:</i>                  PARA VOTAR: Indique su preferencia por marcar en la balota con un "X" en la casilla al lado de la proposición preferida.</p> <hr/> <p><b>Proposition No. 1</b>                  Shall the City of Houston, Texas, and the retirement systems it finances, exercise the constitutional right to be exempt from the application of the provisions of Article XVI, Section 66 of the Texas Constitution, adopted in 2003, entitled Protected Benefits Under Certain Public Retirement Systems?  <i>Proposición Núm. 1</i>                  ¿Deberán la ciudad de Houston, Texas, y los sistemas para la jubilación que ésta financia, ejercer el derecho constitucional a ser exentos de la aplicación de las disposiciones del Artículo XVI, Sección 66 de la Constitución de Texas, adoptada en 2003, denominadas Beneficios Protegidos Bajo Ciertos Sistemas Públicos para la Jubilación?</p> <p> <input type="checkbox"/> FOR A FAVOR  <input type="checkbox"/> AGAINST EN CONTRA             </p>	<b>Sample Ballot</b> 00000001 
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# Voting Information For Opt-Out Election (Proposition I)

The following information was obtained from various voting resources and is intended to be a general overview of voting procedures on May 15 and the early voting period from April 28 to May 11.

## What are the dates and times for voting?

### Early Voting

- First day of early voting is **April 28** at any early voting location (see next page for locations and times).
- Last day of early voting is **May 11**.

### Election Day

- May 15, 2004, 7:00 A.M. - 7:00 P.M.

## Where can I get more information?

Paul Bettencourt's office (Tax-Assessor-Collector, Harris County) is in charge of voter registration and related information. Representatives from his office have informed HMEPS that individuals looking for more information related to voting should contact the Harris County Clerk's office. The Honorable Beverly B. Kaufman, Harris County Clerk, serves as the Chief Election Official for Harris County and maintains information for voters in Harris County. The following is contact information for both entities:

**Paul Bettencourt**  
Tax-Assessor-Collector, Harris County  
Main office:  
1001 Preston  
Houston, Texas 77002  
Phone: (713) 368-2000  
Internet address: [www.tax.co.harris.tx.us](http://www.tax.co.harris.tx.us)

**Beverly Kaufman**  
Harris County Clerk  
Main office:  
1001 Preston, 4th Floor  
Houston, Texas 77251-1525  
Election Dept: (713) 755-5792  
Internet address: [www.cclerk.hctx.net](http://www.cclerk.hctx.net)

## Voting is only open to City of Houston residents – how can I find out if I am eligible to vote?

If you do not have Internet access, contact Paul Bettencourt's office at the address/phone number directly above and ask for assistance. If you have access to the Internet, go to Paul Bettencourt's website (listed above) and do the following:

**1.**  
Click on the link to "Voter Precinct Street Guide."

**2.**  
Enter your address in the provided fields and click on "search."

**3.**  
A new window should pop up that will have text containing "City of Houston resident." If it does not, HMEPS suggests you call the main phone number and talk to a representative.

# Opt-Out Election (Proposition I) Early Voting By Personal Appearance

**Wednesday, April 28 through Tuesday, May 11**

Provided by the office of Beverly Kaufman, County Clerk, Harris County, Texas  
(Polling locations are subject to change)

## Early Voting Hours

Wednesday 4-28-04	8:00 am to 4:30 pm	Wednesday 5-5-04	8:00 am to 4:30 pm
Thursday 4-29-04	8:00 am to 4:30 pm	Thursday 5-6-04	8:00 am to 4:30 pm
Friday 4-30-04	8:00 am to 4:30 pm	Friday 5-7-04	8:00 am to 4:30 pm
Saturday 5-1-04	1:00 pm to 6:00 pm	Saturday 5-8-04	1:00 pm to 6:00 pm
Sunday 5-2-04	1:00 pm to 6:00 pm	Sunday 5-9-04	1:00 pm to 6:00 pm
Monday 5-3-04	8:00 am to 4:30 pm	Monday 5-10-04	7:00 am to 7:00 pm
Tuesday 5-4-04	8:00 am to 4:30 pm	Tuesday 5-11-04	7:00 am to 7:00 pm

## Polling Locations By Region

### MAIN OFFICE:

1310 Prairie, 16th Floor

### NORTHWEST AREA

1. Acres Homes: Acres Homes Multi-Service Cntr.  
6719 W. Montgomery Rd 2nd Floor
2. Spring Branch: Harris Co. Courthouse Annex #35  
1721 Pech Rd. 2nd Floor

### NORTHEAST AREA

1. Kashmere: Kashmere Multi-Service Cntr  
4802 Lockwood
2. Kingwood: Fire Station 102  
4102 Lake Houston Pkwy.
3. Moody Park: Moody Park Recreation Cntr.  
3725 Fulton
4. Northeast Houston BeBe Tabernacle Methodist Church  
7210 Langley

### SOUTHWEST AREA

1. Alief: Alief Regional Br. Library  
7979 South Kirkwood
2. Astrodome Area: Fiesta Mart, Inc.  
8130 Kirby Dr.
3. Neartown: Metropolitan Multi-Service Cntr.  
1475 West Gray

4. Near West Side: Tracy Gee Community Cntr.  
3599 Westcenter Dr. (One block East of BW-8, Off Richmond)
5. South Houston Area: The Power Center  
12401 South Post Oak Rd
6. Southwest Houston: Bayland Park Community Cntr  
6400 Bissonnet near Hillcroft
7. West Houston: Courtyard by Marriott  
12401 Katy Frwy @ Dairy Ashford (Board Room)

### SOUTHEAST AREA

1. Clear Lake: Harris Co., Courthouse Annex #10  
16603 Buccaneer, Clear Lake
2. Palm Center: Justice of Peace/Constable Entry  
5300 Griggs Rd
3. Hobby Area: I.B.E.W. Hall #66  
4345 Allen Genoa Rd.
4. Southeast Houston: H.C.C.S. Southeast College  
2524 Garland @ Rustic (Eastside Campus Annex)
5. Sunnyside: Sunnyside Multi-Service Cntr.  
4605 Wilmington

**Any eligible voter may vote at any one of the early voting polling locations.**

**Please note that polling locations are subject to change.**

## – Election Day Polling Locations –

**Please note that the polling location you visited in previous elections may have changed –  
visit [www.harrisvotes.org](http://www.harrisvotes.org) or call (713) 368-POLL for more information.**

# NORMAL and DEFERRED RETIREMENTS DECEMBER 2003 TO MARCH 2004

## **Aviation**

Bills, Jean  
Cosseboom, George  
Khiev, John  
Reich, Mary\*  
San, Siphon  
Shepherd, Andrew  
Tardy, Ronald

## **Building Services**

Rodriguez, Esperanza  
Smith, Brenda

## **City Council**

Leblanc, Earl

## **Controllers**

Jackson, Gennivie

## **Finance & Administration**

Harris, Jeanice  
Harrison, Kenneth  
Howard, Helen  
Lee, Herbert  
Mays, Al  
Ray, Madeline  
Rivera, Margaret

## **Fire**

Allen, John  
Bond, Frederick  
Hall, Paul  
Mitchell, Laura  
Presley, Sandra  
Roberts, Mary  
Robertson, David  
Whitney, Shirley

## **Health**

Bell, Milton  
Brown-Amy, Debra  
Cardona, Deborah  
Everett, Ricardo\*  
Flanagan, Shirley  
Gilbert, Rose  
Grayer, Linda  
Knox, Ruby  
Lara, Rebecca  
Lee, Irene  
McLemore, Ida  
Pryor, Virginia  
Smith, Patricia  
Valdivieso, Lidia  
Wall, Louise

## **Housing**

Viray, Ernesto  
Wright, Mary

## **Houston Emergency**

Marion, Terri

## **Human Resources**

Kuykendall, Maurice  
Reeves, Alfred

## **Information Technology**

Clayton, Evelyn  
Fields, Bruce  
Neal, Pamela  
Robbins, Beverly  
Thachar, Haydee

## **Legal**

Knobelsdorf, Martha  
Woodring, Stanley

## **Library**

Arceneaux, Marie  
Renfro, Helen  
Stewart, Earnest

## **Mayor's Office**

Bener, Rosie  
Brown, Lee

## **Municipal Courts**

Arcos, Mary  
Estrada, Fanny  
Hall, Brenda  
Taylor, Larry  
Tobias, John

## **Parks & Recreation**

Bailey, William  
Boyd, Gary  
Brandy, George  
Campbell, Lois  
Castillo, Teresa  
Cervantes, Jose  
Dreyer, William  
Gainey, George  
Hoover, R.M.  
Johnson, Maxine  
Jordan-Sims, Sandra  
Killam, Lynn\*  
Kinney, Donald  
McRoberts, Tammy\*  
Oria, Kathleen\*

Regalado, Adan  
Scott, Raymond  
Segovia, Leonel  
Varela, Valentin  
Villalobos, Jesus

## **Planning**

Fantop, Denna  
Freiley, Sidney  
Hicks, Quenard  
Scott, Carlotta  
Williams, Joan

## **Police**

Bell, Nathaniel  
Bryce, Theresa  
Butler, Leo  
Cantu, Paula  
Castillo, Gilberto  
Chandler, Debra  
Crawford, Glenda  
DeJesus, Avelina  
Dockens, Mark\*  
Escamilla, Eloise  
Hardeman, Barbara  
Harris, Iris  
Holmes, Beatrice  
Hooks, Barbara  
Jackson, Carmen  
Jenkins, K.Z.  
Juergen, Charlene  
Lewis, Morell  
Pham, Tan  
Robinson, Renee\*  
Siska, Adelle  
Smith, Julie  
Wallace, Donnel  
Warren, Pamela  
Watson, Patricia  
Wells, Tammy\*  
Williams, Leilani

## **Public Works & Engineering**

Acuna, Pascual  
Aldridge, Randall  
Alfred, Marilyn  
Allen, Nelva  
Arredondo, Lictor  
Asuquo, Simon  
Basey, David  
Bass, Robert  
Battenfield, Ronnie  
Battenfield, Teresa

Brown, Leonard  
Buster, Susan  
Cardenas, Sandra  
Carroll, Beverly  
Cavazos, Ricardo  
Charlot, Melvin  
Cheney, Timothy  
Clyburn, Ronald  
Cobb, Larry  
Daughtry, Cecil  
Deskins, Thomas  
Dunn, Larry  
Egbuonu, Charles  
Ekpoudia, Udo  
Evans, Eddie  
Fairfax, Joel  
Ford, Douglas  
Foust, Mary Louise  
Gill, Jervis  
Gilmore, Barry  
Gray, T.C.  
Harper, Faylean  
Harris, Charles  
Harris, Walter  
Harrison, Marilyn  
Hines, Dorothy  
Honora, Thaddeus  
Howard, Joshua  
Ingram, Regis  
Jenkins, Cleopher  
John-Lewis, Matthew  
Johnson, Robert  
Jones, Adell  
Jones, Forrest  
Kelley, Elray  
Land, Delores  
Lansch, John  
Lathan, Jackie  
Lewis, Walter  
Lightfoot, Phillip  
Lleverino, Jesse  
Lucio, Ernesto  
Martin, John  
Martinez, Juan  
McKenzie, Elbert  
Mora, Arcadio  
Nelson, David  
Odom, JoAnn  
Oliva, Eusebio  
Olivares, Javier  
Parish, Ervin  
Philippi, Karen  
Pickett, Gladys  
Prejean, Michael  
Randall, Richard

Rankin, Delores\*  
Reddy, Reddivari  
Reece, Mildred  
Reyes, Guillermo  
Reyna, Jose  
Reynolds, John  
Robbins, Johnny  
Rodriguez, Clarence  
Rodriguez, Jose  
Rodriguez, Rudy  
Rushton, Joyce  
Salazar, Apolinar  
Salazar, Epigmenio  
Sarabia, Diamantina  
Sauceda, Serafin  
Schubert, Charlie  
Shelander, John  
Shockley, Kenneth  
Simpson, James  
Smith, Edward  
Stanley, Alberta  
Starnes, David  
Steely, April\*  
Stephens, Rita  
Stephens, Vincent  
Turnbull, Elroy  
Turner, Larry  
Vaughn, Percy  
Viney, Thelma  
Wallace, Marie  
Wesby, John\*  
Williams, Donald  
Yu, Celine\*  
Zavala, Reymundo

## **Solid Waste**

Byrd, Ottis  
Colomb, Clifton  
Fletcher, Albert  
Howard, Ronald  
Johnson, Johnny  
Lakey, Thelma  
Mayes, Roosevelt  
McMurray, Elmer Jr.  
Wooten, Betty

## **\*Deferred**

## IN REMEMBRANCE

### ACTIVE EMPLOYEE AND RETIREE DEATHS

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

Alton, Eugene	Evans, Dennis*	Jones, Ray	Powlaski, Walter	Sloan, Walter
Auderer, Robert	Redden, Estella	Kerby, Rosa**	Prince, Frank	Smith, Linda**
Barfield, Mary**	Smith, Linda	Kirby, Rome	Rampy, Wallace	Snider, Lillian**
Blauert, J.	Few, S.M.	Lacour, Mavis**	Randle, Henry	Spain, Paul*
Bolton, Jonas	Fredericks, Blanche**	Lambeth, Annie**	Randolph, Esterline**	Standfield, James
Brisco, Joseph	Fress, Margaret**	Lincecum, H.S.	Rankin, Willie	Starling, Sarah
Brown, Clemon	Gay, James	Lobusch, Ursula	Reaves, E.M.**	Taranto, Jimmie
Brown, Robert	Goff, Mildred	Love, David	Redden, Estella	Thomas, Ellen
Caldwell, Virginia**	Gould, Dwayne	Lynn, Jerri**	Reed, Drucilla	Thomasen, C.T.
Cantu, Jesus	Graham, Charlie	Mabry, Mary**	Reeves, J.B.	Thompson, Fred
Cathey, Donald	Griffis, Hiram	Mallet, Armour*	Reyes, Francisco	Trammell, Jas
Childress, Audrey	Guerrero, Trinidad	McKey, J.C.	Richard, Hazel**	Tutson, Elby
Clark, Effie	Gutierrez, Paulino	Menefee, Maxine	Richard, Robert	Weimer, Clarice**
Clifton, Barbara	Ha, Tuong	Mims, Edna**	Roberts, John	Werler, John
Collins, Odelle	Haralson, Laura**	Mitchell, Bascil	Roberts, Junior	White, Mary**
Cruz, Alberto*	Holt, Bessie	Mitchell, Wilna**	Rodriguez, Manuel	White, Rawleigh
Daniels, Lemma	Hosch, Virginia	Montgomery, W.Moore	Rogers, Carrie**	Wolcott, Morris
Davis, Cherry	Howell, James	Moore, Henry	Ross, Major	
Davis, Richard	Hudson, Ester	Morales, Elvera	Rubio, Marcelina**	<b>Active Employee Death*</b>
Diggs, Pauline**	Hughes, Stephen	Ochoa, Isidoro	Ruffer, Linnie**	
Dock, Jessie	Jackson, Alice**	Parker, Arthur	Salazar, Claudio	<b>Widow(er)**</b>
Donahue, Retta**	Johnson, Ida	Parsons, A.L.	Saphos, Paul	
East, Willie	Johnson, Jo Ann*	Pierce, Thelma**	Simonson, Ruth	
Edwards, Earlie	Johnson, Victorian**	Powell, Billie	Sims, Boss	

### Pension Check Schedules April through July, 2004

The following are the dates pension benefit checks will be **mailed** in 2004. The schedule will be strictly adhered to. Keep this schedule handy so you will know when your benefit check will be mailed.

**April 28, 2004**

**May 27, 2004**

**June 28, 2004**

**July 28, 2004**

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

**April 30, 2004**

**May 31, 2004**

**June 30, 2004**

**July 30, 2004**

If you are interested in direct deposit of your pension benefit checks, please call our office at (713) 759-9275.



### HMEPS Investments

**As of 12/31/03**

Domestic Equity	\$	447,158,177
International Equity	\$	307,838,575
Fixed Income	\$	217,917,125
Real Assets	\$	238,525,585
Alternative Investments	\$	200,195,333
Cash Equivalents	\$	11,022,970

Market Value - Dec. 31, 2003 \$ 1,422,657,766

For the Calendar Year 2003, the return on the Fund's investments was 25.15%.

For the first six months of Fiscal Year 2004, the return on the fund's investments was 14.29%.

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## **Pension Press**

Houston Municipal Employees Pension System  
1111 Bagby, Suite 2450  
Houston, Texas 77002-2555  
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1-800-858-1450  
www.hmeps.org

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## **BOARD OF TRUSTEES**

### **ELECTED TRUSTEES**

Fred Holmes, *Chairman*  
Ray Kennedy, *Vice Chairman*  
Roderick J. Newman, *Secretary*  
Louis C. McKinney, *Trustee*  
Sherry Mose, *Trustee*  
Lee Pipes, *Trustee*

### **TRUSTEES BY DESIGNATION OR APPOINTMENT**

Barbara Chelette, *Trustee*  
Dr. Philip B. Scheps, *Treasurer*  
Lonnie G. Vara, *Mayor's Representative*

### **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*

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## **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 Address:**

Houston Municipal Employees Pension System  
1111 Bagby Street, Suite 2450  
Houston, Texas 77002-2555

### **HMEPS Phone Numbers:**

Phone: (713) 759-9275  
Toll Free: (800) 858-1450  
Fax: (713) 650-1961

### **HMEPS Website:**

[www.hmeps.org](http://www.hmeps.org)