



PENSION • PRESS

The Newsletter of the Houston Municipal Employees Pension System

www.hmeeps.org

HMEPS Posts Strong Investment Figures In Fiscal Year 2007

The good news about HMEPS' investment performance continues. Thanks to the hard work of the HMEPS investment team, the Fund saw a portfolio return of 18.64% for Fiscal Year 2007. This added over \$370 million to HMEPS' assets, and marked the second fiscal year in a row of returns in excess of 18%.

"I am extremely proud of the efforts of the investment team," said HMEPS' Chief Investment Officer, Doug Wynkoop. "Our members can be confident that the Investment staff continues to work hard to add significantly to HMEPS' bottom line and will continue to do so in the future."

Here are some highlights:

- HMEPS earned an annualized return of 16.9%, 14.4% and 9.3% over the trailing three, five and ten-year periods.
- HMEPS' annualized returns for the periods mentioned above (three-, five- and ten-year periods) exceed its actuarial return rate of 8.5%.
- The total fund assets of HMEPS are now approximately \$2.3 billion.

How HMEPS' performance compares to a universe of HMEPS public pension fund peers:

Three-year – top 4% Five-year – top 4% Ten-year – top 13%

HMEPS Unveils Online Service For DROP Participants

Earlier this year, HMEPS launched *AccessHMEPS*, an online service for DROP participants. The service allows qualified HMEPS DROP participants to view their DROP data via the internet at anytime and from any computer (connected to the internet). At this time, there are currently 460 registered users, and their feedback about the *AccessHMEPS* site has been overwhelmingly positive.

"Allowing DROP participants to securely view their data online is part of HMEPS' continuing goal to provide our members with meaningful customer service and easy-to-access information," says David Long, Executive Director of HMEPS.

Users of the service access the site through the main HMEPS website (www.hmeeps.org)

(Continued on Page 3)

Members Learn About Financial Discipline At Second Annual Financial Fitness Expo

Several hundred City employees recently attended the second annual City Financial Fitness Expo, a two-day event that featured speakers and information focusing on preparing financially for retirement. This year's event, which was coordinated by HMEPS' Board member Sherry Mose, was held in conjunction with national "Save for Retirement Week." The event was held over two days at the City Hall Annex and 611 Walker, and included lectures and booths manned by staff from HMEPS and the police and fire pension systems, as well as Great West, the City's deferred compensation plan administrator, and other financial services companies.

"The Financial Fitness Expo has developed into a not-to-be missed event for City employees," Mose said. "We will continue to expand

(Continued on Page 3)



Council Member Adrian Garcia and HMEPS Board Trustee Sherry Mose hold the City Proclamation for national "Save for Retirement Week."

DROP Rate For Calendar Year 2008 Continues at the Maximum Rate of 7.5 Percent!

The Deferred Retirement Option Plan (DROP) interest rate for calendar year 2008 will be 7.5 percent, the maximum rate authorized under the Meet and Confer Agreement (MCA). The rate was approved at the September Board meeting and is effective January 1, 2008.

Under the MCA, the DROP interest rate for each calendar year is established by taking half the return on HMEPS' investment performance for the prior year. Because HMEPS' investment return for Fiscal Year 2007 was an exceptional 18.69 percent, DROP participants in 2008 will again receive the maximum 7.5 percent rate on their DROP accounts.

DROP is an optional retirement method for members who have reached their normal retirement eligibility (age and years of credited service) but do not want to retire. It is an alternative method of accumulating and receiving a pension benefit from HMEPS. To speak with a benefit counselor to learn more about DROP, please call the HMEPS office at 713-595-0100.

HMEPS Investments

Market Values as of June 30, 2007

Domestic Equity	\$ 592,821,620
International Equity	436,994,369
Fixed Income	346,062,076
Real Assets	302,526,416
Alternative Investments	297,093,009
Cash Equivalents	20,375,201
City of Houston Pension Obligation Note	352,343,253
Total Fund	\$ 2,348,215,946

- For the first six months of Calendar Year 2007, HMEPS' investment return was 8.84 percent.

Member Questions to Benefits Counselors

Dear HMEPS Benefits Counselor,

"I am years away from retirement. Is there anything I should be doing now to prepare for the time when I can retire from the City?"

Answer: Throughout your career there are several things you should be doing to prepare for retirement. They are:

- Review your HMEPS annual statements for accuracy (Note: much of the information in the statements is obtained from City of Houston records, which are unaudited and unverified. Your actual credited service and other information will be verified at retirement).
- If you have multiple periods of employment with the City, you should contact the HMEPS office to determine whether each period of employment constitutes credited service in HMEPS.
- Evaluate your personal finances regularly including assets, liabilities, insurance, and investments.
- Before you retire you will need to submit required documents, such as a birth certificate and Social Security card, to HMEPS. You should make sure you have these documents in your possession while you are still working. A list of the documents most commonly requested by the HMEPS office can be found in the HMEPS Benefits Handbook.
- Remain informed. Read and periodically review your HMEPS Benefits Handbook. The handbook is revised, so make sure you have the latest edition. Also, read the HMEPS newsletters and other information that HMEPS sends to you. These documents are also available by writing to HMEPS or by visiting our website at www.hmeps.org.

(Continued from Page 1)

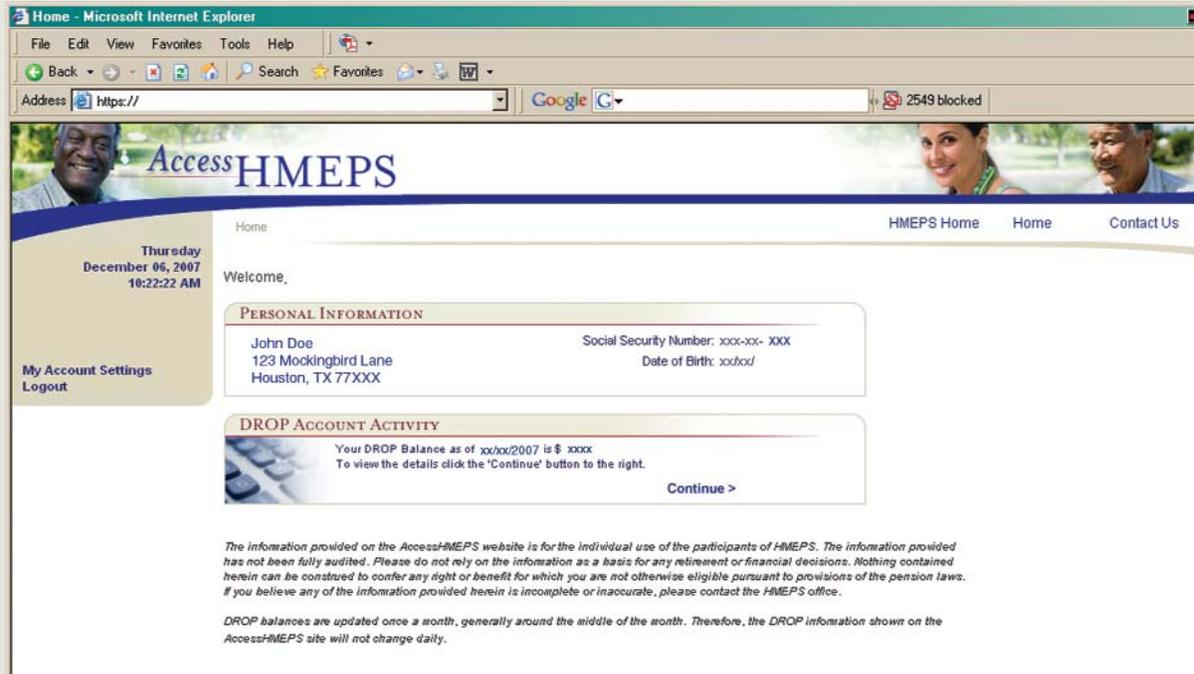
after first registering and subsequently receiving a secured password from HMEPS. Once they log in, users can view their DROP balance and interest. They can also view their account in summary form by year or by month, with updates occurring generally once each month.

“AccessHMEPS is the result of a combination of research, development, testing and team work,” said Scott Otto, Information Systems Manager for HMEPS. “Our main concern was, of course, security and integrity of member data.

We have implemented strict security and internal control measures in all facets of the service, from the registration process to the final presentation of data.”

According to Carole Snyder, Benefits Manager for HMEPS, current users are impressed with the level of sophistication of the service. “HMEPS’ counselors have received very positive feedback from our users. It gives them updated information on their DROP accounts all from the comfort of their homes.”

HMEPS DROP participants who are not currently using the service may register by following the instructions found on the HMEPS website and entering their personal information.



HMEPS performs a series of participant validations against the supplied data, after which HMEPS mails a password to the member’s address of record. After receiving the password, users are able to return to the HMEPS website and log in to view their personal data. In all, the registration process takes about 5 to 10 days.

If you are a qualified HMEPS DROP participant and would like to register for the AccessHMEPS service, you can do so at www.hmeps.org. If you have further questions about AccessHMEPS, please call the HMEPS Website Administrator at 713-595-0100.

Expo Helps Attendees Learn About Financial Discipline (Continued from Page 1)

the offerings and hold it in other locations to ensure all City employees have the opportunity to receive the knowledge and information they need to help them become financially secure in their retirement.”

“I like this event because the lectures and handouts are geared towards City

employees and their respective pension benefits, plus the fact that it is free,” said Public Works Department employee Ganesh Mandal, who also attended last year’s Expo.

City employees who attended the free event walked away with increased knowledge about planning financially for retirement and the discipline it requires during their entire careers. HMEPS’ Board member Alfred Jackson, who gave a presentation titled, “Retiring with Confidence,” stressed that it is imperative for City employees to fully understand their pension benefits sooner rather than later. The same message was echoed by Great West Retirement Services representative Gary Wilkins, who said, “City employees have two incredible benefits with their 457 accounts and pensions – they need to be knowledgeable about both during their entire careers so they are ready when it comes time to retire.”



Above, HMEPS Board Member Alfred Jackson delivers a presentation. Right, attendees at the 611 Walker Expo collect literature and discuss financial planning with vendors.



Carolyn Chaney: 30 Years of Dedication and Service to the City

Carolyn Chaney was 18 years old and a recent graduate of Houston's Kashmere High School when her mother gave birth to a new baby girl. Her mom was single, worked hard at a night shift job and needed all the assistance she could get. "I said to myself, I can take one of two paths now, either leave and go my own way, or stay and help my mom when she needs me most," remembers Chaney. "I decided to stay and do the right thing, and that was to help my mom."

Chaney started working for the City a short time later after enrolling in the Comprehensive Employment and Training Act (CETA) program, which exposed local high school students to various jobs to help them better decide on a future career. "It was a wonderful program that really gave me the start I needed," Chaney said. She spent one month there and was then placed in a permanent position with the City of Houston Health Department.

"For 30 years I have dedicated myself to being professional in whatever capacity I served (with the City). I believe very strongly that public service is an honorable and rewarding experience," Chaney said. Her current position is Payroll Representative for the City of Houston Legal Department, where she has been for the last 17 years. Prior to this position Chaney held several positions in the Controller's office.

"I can still remember doing payroll for the City in the early days of the Controller's office," Chaney said. "We would print the signature on the checks manually by running them through big printing machines. The process was slow – it would take about three days to print them all, and if you had a jam it would take even longer!" Chaney's first position in the Controller's office was Administrative Assistant, which did not pay well. "I was paid about \$215 every two weeks but my mother and I could really stretch it out in those days," Chaney said.

Over the years, Chaney has been the recipient of many City awards including an EAGLE award, a division H.E.R.O. award in 2002, and the Outstanding Staff Member award in 2003 for the Legal Department. She also serves on the Wellness Advisory Council. According to co-worker and friend Dennis Yaksich, who has been by her side for many years, "Carolyn is ineligible for any more awards because of Departmental rules limiting the number of times an employee can win, which really tells you a lot about her personality and work ethic. Also, when she tells you something you can take it to the bank."

In her three decades with the City, Chaney has seen six City mayors and three different payroll systems, the latest being the SAP system. "Unlike some departments, the ones in which I served always used computers. But no matter what system is used the key to a productive employee is dedication and a strong work ethic," Chaney said.



Carolyn Chaney (left) and HMEPS' Benefits Manager Carole Snyder.

Her time away from the City is anything but "free time," as Chaney cares full time for her mother, grandmother and aunt. Her aunt, who has Alzheimer's disease, requires special attention. "They are my life and mean everything to me," Chaney said. "But I also have no regrets." When she is not waiting on her loved ones, Chaney enjoys cooking "down-home Southern food" such as pigs' feet, oxtail soup, cabbage and more. She also enjoys playing cards and sometimes, if time allows, shooting pool with friends.

When asked about her HMEPS pension, Chaney smiles and says it is truly a blessing for her and her family. "My pension means I can continue to care for family well into their and my future. It gives me peace of mind and is a source of pride because I earned it through my dedication and commitment to the City of Houston," Chaney said.

Dear Plan Participants:

The year will soon be coming to a close and I would like to take the opportunity to wish all of our members, "Happy Holidays!" In looking back at 2007, I cannot help but feel deep appreciation to you for your continued support of the Board of Trustees, Executive Director and staff at HMEPS. It has been my experience in my many years as Chairman that the support of our members is the cornerstone of the System's future.

The past year was marked by many achievements that will also serve us well in providing a solid foundation as we look ahead to 2008. I would like to take the opportunity to highlight several of those achievements, as well as the personnel who made them happen:

First and foremost, through the leadership and negotiation skills of Executive Director David Long, HMEPS and the City approved the Fourth Amendment to the Meet and Confer Agreement. There were no changes for any current City employees or retirees, and employees who leave the City and are rehired at a later date will return to the group (Group A or Group B) they participated in when they left.

Next, I applaud the hard work of Chief Investment Officer Douglas Wynkoop and his investment team for their efforts in producing a portfolio return of 18.64% for Fiscal Year 2007. This exceeds the actuarially assumed rate of 8.5% which we need to earn annually, and adds approximately \$370 million to the System's assets. Additionally, the fund's total assets of \$2.3 billion are the highest they have ever been. Doug and his team have consistently placed HMEPS in the top 10% when HMEPS' returns are compared to other similarly sized pension systems over trailing three-, five-, and seven-year periods.

Behind the scenes at HMEPS, there were numerous efforts by the staff to ensure that members were provided superior customer service in regards to their benefits. Scott Otto, Information Systems Manager, along with his Information Technology team, introduced the *AccessHMEPS* system for DROP participants (see article on front page). Carole Snyder, Benefits Manager, and her dedicated staff of Benefits Counselors continued to provide members exceptional service and attention in informing members of their pension benefits and retirement options. There are other staff members and examples too numerous to write about here.

As we enter into the year 2008, I look forward to continued success from the efforts of the HMEPS Board of Trustees, Executive Director and staff. We are all here to serve you and we remain committed to a strong and secure pension fund.

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



Richard Badger
Council Appointee



Alfred Jackson
Council Appointee



Craig T. Mason
Mayoral Appointee

Executive Director



David L. Long

Retirements – June 2007 to October 2007

Aviation

Coleman, Elon*
Estrada, Gloria
Gomez, Adelina
Gonzalez, Israel
Gordon, Edward
Green, Robert
Hellmann, Ronald
Jones, Velma
Lannin, David
Kuehne, Craig
McKenzie, Robert
Soun, Noeup
Thai, Aun

Building Services

Noland, James
Riggan, Vivian
Singletary, Clemencia

Controller

Tetty, Solomon

Finance & Administration

Lindsey, Glennette
Perdue, Kristie
Somerville, Richard

Fire

Chu, Michael
Knobelsdorf, Martha

Sadler, Richard
Stevenson, Phyllis

Health & Human Services

Anderson, Sheila
Arthur, James
Bhatt, Chirag
Frale, Judith
James, Charlene
Jiminez, Olga*
Kemper, Karen*
Ladmirault, Elizabeth
Martin, Julie*
McFadden, Claudia*
McKinney, Brenda
McKinney, Frank*
Miller, Connie
Mishra, Saroj*
Petteway-Nyormoi, Vera
Prestigomo, Jane
Saavedra, Proserpina
York, Larry

Housing

Allen, James
Gilmore, Shelia
Johnson, George
Omokaro, Osaretin
Williams, Corine
Woodard, Sandra

Houston Emergency Center (HEC)

Villarreal, Ruben
Wells, Donna
Wimberly, Rhonda

Human Resources

Perkins, Karen*

Legal

Porter, Joan*
Suarez, Rachel

Library

Hoffman, Walter
Lapsley, Andrea*
Smith, Vanessa

Mayor's Office

Villanueva, Patricia

Municipal Courts

Martinez, Joann*
Thompson, Mary

Parks & Recreation

Bautista, Humberto*
Bogany, Ethel
Carpio, Hector
Crawford, Barbara
Guerra, Jose

Jaramillo, Frances
Miranda, Janie*
Pung, Muylean
Trojanowski, Kathryn

Planning

Raia, John

Police

Dobson, Brenda
Dupree, Marilda
Galvan, Henrietta
Gosey, Tahieta*
Haines, Debra
Huang, Tzu
Jones, Catherine*
Jones, Patsy
Leffall, Ida
Murry, Vincent*
Page, Patricia
Price, Rosie
Robinson, Cawlyn*
Robinson, Wilma*
Shepard, Shawna*
Thomas, George
Villalon, Mary
White, Horace

Public Works & Engineering

Alexander, Sherman
Banks, Janice

Batra, Davinder
Bauszus, Karen
Bennett-Reed, Ruthie
Buck, Theresa*
Chambers, Michael*
Chang, Ning-Haw
Chunawala, Jamil
Coney, Herman*
Davis, James*
Davidson, Terry*
Doherty, B.
Gartman, Lewis*
G'Benoba, Dominic*
Gossett, Dale*
Green, Lawrence*
Greer, Willie*
Hagan, Peter*
Holden, Elmon
Huey, Donald
Layman, Sally
Man, Phan
Maxwell, Jerry
Mckinley, Marvin
McMillian, Natalie*
Moore, Eddie*
Nguyen, Giup
Nelson, Floyd
Oates, Milton
Panek, Patsy
Phillips, Edna
Pillar, Jerry*
Poff, Barbara
Rau, Roy

Rodriguez, Nick
Schatz, Gary*
Solorio, Pedro
Sowells, Lawrence*
Stauffer, Warren
Thompson, Addie
Tena, Joaquin
Tong, Them
Tincler, George
Villalon, Mary
Walker, Sunja
Ward, Joe
Ward, Lee
Weiss, Arnold
Whitney, Roger
Williams, Lawrence
Williams, Shawn

Solid Waste

Buchanan, Thomas
Do, Khoa
Johnson, Fred
Walker, Phyllis

*Deferred Retirement

In Remembrance Active Employee and Retiree Deaths – June 2, 2007 through November 14, 2007

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

Adams, Thomas*
Aguirre, Domingo
Anders, Richard
Avery, Hazel**
Baggerly, Larry
Bailey, Woody
Baker, Arthur
Balerio, Erasmo
Bernard, Richard
Bevan, Imogene**
Bishop, John
Branham, Anita**
Britt, Samuel
Brown, Harold
Burge, Richard
Burnett, Clyde
Burriss, J.**
Butcher, William
Carter, Lee
Castillo, Jim

Cazares, Edward
Chan, GiGi*
Clarence, Eula
Cuccia, Luke
Dathorne, Sandra
Davis, Annette
Dean, Arthur
Declues, Walter
Delacruz, Felipa**
Dotson, Blanche**
Downs, Fletcher
Dugas, Wilfred
Duplechain, Columbus
Ellis, Emmanuel
Ellis, Marion
Ernest, Zelma
Evans, Jenelle**
Faber, Billy
Ferguson, Willie
Gann, Edith**

Garcia, George
Garcia, Jessie
Gilford, Lucile**
Gotthardt, Jimmie
Gould, Jimmie**
Goyen, Joan**
Greathouse, Sidney
Guyton, Vera
Hanks, Willie
Hayes, John
Henderson, June
Henn, Lawrence
Hirbe, Richard
Hsu, Katharine
Jackson, Wallace
Jennings, Charles
Johnson, Lee
Johnson, Percy
Jones, Anna
Juarez, Maria**

Kennedy, Mary**
Kulkarni, Sudhir
Larsen, Dorothy
Leach, David
Lewis, Joseph
Lobusch, Holger**
Luna, Natalia**
Maczali, G.
Malone, Ola
Mancuso, Frank
Martin, Lela**
Mason, Joe
Mayes, William
Nations, Gladys
Nichter, Jodie
Noland, Jimmy
Northrop, Jane**
Outlaw, Thomas
Park, Lurena**
Parker, Simmon

Paul, Eddie
Peck, Frederick
Pellerin, Ernestine**
Phokela, Rajinder
Pina, Orlanda*
Powell, Harrell**
Prejean, Algje
Quinones, F.
Ramsey, Violet
Rawlinson, Glenn
Richardson, Arthur**
Rivers, Joe
Rodriguez, Tom**
Rozas, Joel
Sanchez, Hildegarde
Sanders, Lorine**
Sandoval, Noel*
Sharma, Baldev
Sosa, Conception**
Spears, Gerald

Speir, Clifton
Stewart, Douglas
Sullivan, Horace
Taylor, Herbert
Thomas, James**
Thompson, L.
Valley, Leroy
Vickers, Evelyn**
Wanless, William.
Washington, Maggie
Watson, Tom
Williams, Jeremiah
Willyard, Floyd
Wyatt, Ethel
Yelverton, Margaret**
Zapata, Juan

* Active Death

**Surviving Spouse

Attention All Participants Who Received a Pension Payment in 2007

HMEPS will mail Form 1099-R's at the end of January 2008. If you have not received your Form 1099-R by the second week of February 2008 you should contact the HMEPS office (713-595-0100). If you have moved or are in the process of changing your mailing address from the address on file at HMEPS, you must submit a completed change of address form to HMEPS on or before December 31, 2007 in order to timely receive your Form 1099-R. You can obtain a change of address form by calling the HMEPS office or from the Forms page on the HMEPS website (www.hmeps.org).

(cut and save)



2008 HMEPS Pension Payment Schedule

The following are the dates pension benefit checks will be mailed in the year ahead. **For December 2007 pension benefit checks will be mailed on December 27, 2007. Direct deposit of pension benefit checks will be on December 31, 2007.** The schedule will be strictly adhered to. If you are interested in direct deposit of your pension benefit checks, please call our office at 713-595-0100.

○ = Benefit checks mailed from the HMEPS office ○ = Direct deposit (ACH), the last business day of each month

January 2008							February 2008							March 2008							April 2008							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5						1	2							1		1	2	3	4	5			
6	7	8	9	10	11	12	3	4	5	6	7	8	9	2	3	4	5	6	7	8	6	7	8	9	10	11	12	
13	14	15	16	17	18	19	10	11	12	13	14	15	16	9	10	11	12	13	14	15	13	14	15	16	17	18	19	
20	21	22	23	24	25	26	17	18	19	20	21	22	23	16	17	18	19	20	21	22	20	21	22	23	24	25	26	
27	28	○29	30	○31	24	25	26	○27	28	○29	23	24	25	26	○27	28	29	27	○28	29	○30							
													30	○31														
May 2008							June 2008							July 2008							August 2008							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
			1	2	3	1	2	3	4	5	6	7		1	2	3	4	5						1	2			
4	5	6	7	8	9	10	8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9	
11	12	13	14	15	16	17	15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16	
18	19	20	21	22	23	24	22	23	24	25	○26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23	
25	26	27	○28	29	○30	31	29	○30	27	28	○29	30	○31	24	25	26	○27	28	○29	30								
																			31									
September 2008							October 2008							November 2008							December 2008							
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
	1	2	3	4	5	6				1	2	3	4						1		1	2	3	4	5	6		
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13	
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20	
21	22	23	24	25	○26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27	
28	29	○30	26	27	28	○29	30	○31	23	24	25	○26	27	○28	29	28	○29	30	○31									
													30															

Pension Press

Houston Municipal Employees Pension System
1111 Bagby, Suite 2450
Houston, Texas 77002-2555
713-595-0100
1-800-858-1450
www.hmepps.org

Presorted Standard U.S. Postage PAID Houston, TX Permit No. 7057

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

HMEPS Address:

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

HMEPS Phone Numbers:

Phone: 713-595-0100
Toll Free: 800-858-1450
Fax: 713-650-1961

HMEPS Website:

www.hmepps.org