



# PENSION PRESS

The Newsletter of the Houston Municipal Employees Pension System



## Update From the Chairman

Sherry Mose  
Chairman

Dear Participants,

As Fall begins, I want to express my gratitude for the honor of continuing to serve as your Chairman. Our dedicated staff and Board of Trustees work diligently to deliver a secure retirement benefit to our participants, and I am proud to work alongside them.

It is hard to believe that two years have passed since Hurricane Harvey devastated this community. The Houston region has made tremendous strides, though some of our neighbors are still struggling to recover. In thinking about the tragedy of Harvey I am also reminded of the many city employees who answered the call and worked during and after the storm to provide critical help to residents in need. As a reminder, while the peak of hurricane season has just passed, it does not end until November 30th. I urge you to remain vigilant and prepared at all times.

I am excited to announce our 15th annual Financial Retirement Educational Event (F.R.E.E.) on Tuesday, October 15, 2019, in the Legacy Room at Houston City Hall, 901 Bagby, and on Friday, October 25, 2019, at the Harris County Department of Education, located at 6300 Irvington Blvd. I am especially pleased that Mayor Sylvester Turner will be our keynote speaker on both dates. The theme of this year's event is Financial Boot Camp – Discipline, Focus, Strategy. Now is the time to ensure you are in top financial shape for retirement! More information can be found on page 6.

In less than two months, Houstonians will go to the polls to cast their ballots for mayor, city council, as well as a number of other local offices and ballot issues. Early voting begins Monday, October 21st and continues through Friday, November 1st. Election Day is Tuesday, November 5th. As always, I urge you to carefully research the candidates and their platforms, and to make your voice heard!

*(Cont. on Page 2)*

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YOUR NEW YOU STARTS NOW.

# FINANCIAL BOOT CAMP

DISCIPLINE. FOCUS. STRATEGY.



Financial Retirement Educational Event

See page 6 to learn more!

HMEPS NEEDS YOUR E-MAIL ADDRESS TO KEEP YOU UPDATED ON PENSION MATTERS

VISIT [WWW.HMEPS.ORG](http://WWW.HMEPS.ORG)  
TO SIGN UP

# Update From the **Chairman** cont.

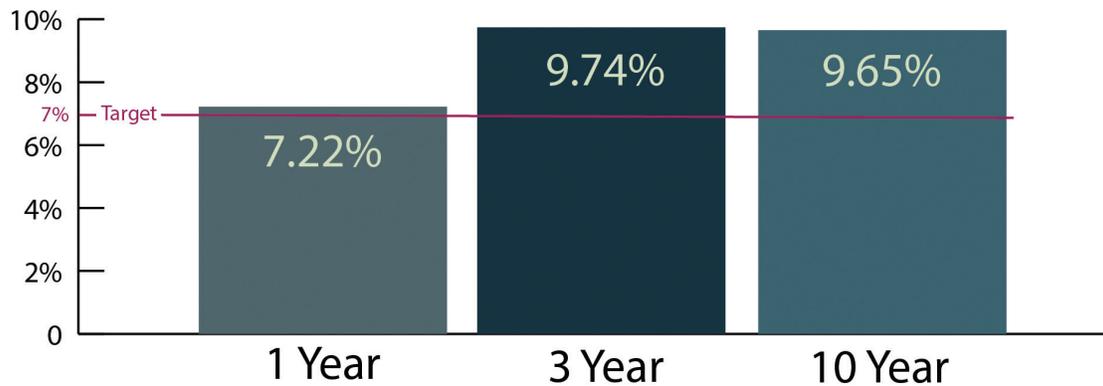
(Cont. from Page 1)

Finally, I am pleased to announce that the HMEPS gross investment return for fiscal year 2019 was 7.22%, which exceeds our assumed rate of 7%. Our continuing impressive investment performance has yielded 3- and 10-year gross returns of 9.74% and 9.65%, which improve the plan's financial status and demonstrate the advantages of a professionally managed and diversified portfolio. In addition, HMEPS recently received a Certificate of Achievement for Excellence in Financial Reporting for our 2018 Comprehensive Annual Financial Report (CAFR) from the Government Finance Officers Association. It is our 25th consecutive year to earn this distinction.

Thank you for your continued support and for your great service to Houston and its residents.

Your Chairman,  
Sherry Mose

## HISTORICAL HMEPS INVESTMENT RETURNS

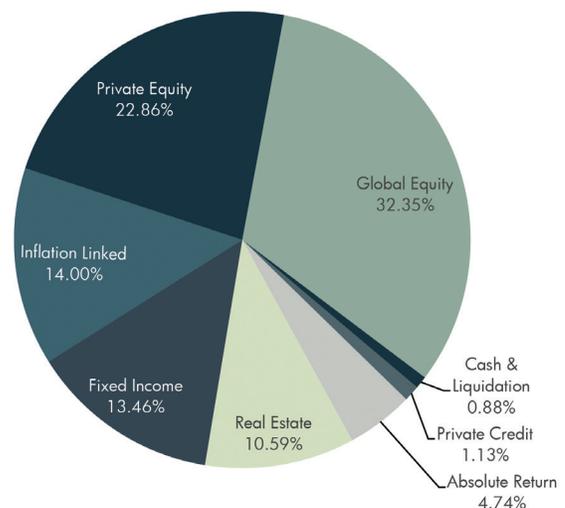


## HMEPS Investment Update

### Market Value by Asset Class

	March 31, 2019	June 30, 2019
Global Equity	\$ 974,648,662	\$ 999,890,073
Fixed Income	671,583,004	415,918,998
Private Credit	441,069,060	34,782,064
Real Estate	425,821,007	327,400,082
Inflation Linked	313,438,713	432,890,062
Private Equity	141,897,153	706,483,580
Absolute Return	41,331,899	146,436,349
Cash	11,034,639	27,279,662
<b>Total</b>	<b>\$ 3,020,824,138</b>	<b>\$ 3,091,080,870</b>

### Asset Allocation as of June 30, 2019



# Important Update!

## Beginning November 1, 2019, You Must Schedule a Meeting for In-Person Pension Transactions at HMEPS.

HMEPS wants to assist all participants in a timely and efficient manner so that pension matters are properly handled by the appropriate staff member. Pension matters include applying for retirement, service purchases, group changes, Deferred Retirement Option Plan (DROP), and any other transaction that requires personal service by a Benefit Counselor. Beginning November 1, 2019, an in-person meeting with a Benefit Counselor requires an appointment.

- You can schedule an appointment with your Benefit Counselor by calling the HMEPS office at 713-595-0100 and following the phone prompts to reach your Benefit Counselor to set up the meeting.
- If you come to the HMEPS office without an appointment and want to meet with your Benefit Counselor, you can complete an appointment request form at the reception desk, and the request will be provided to your Benefit Counselor who will later contact you to schedule a meeting.

The following are some common questions regarding appointments:

### What if my Benefit Counselor (BC) is not available to make the appointment when I call?

Leave a voice message and your BC will call you back. It would be helpful for you to provide in your voice message the dates and times you are available in order to assist the BC with scheduling.

### Will you remind/confirm the appointment with me beforehand?

You are responsible for putting the appointment in your calendar. Of course, you may call your BC the prior business day to confirm.

### What if I only need to drop off forms or documents?

If you know what forms or documents are required, you can drop off the completed forms or documents with the HMEPS receptionist. Your BC will not be available to meet with you, answer any questions, or notarize a form unless you have made an appointment.

### If I walk in, can I make an appointment for later that day or right then if my BC is not busy?

Your BC is responsible for many participants and for efficiently working on pension transactions and related duties. If you walk in, you can complete an appointment request form at the reception desk, and the request will be provided to the BC who will later contact you to schedule a meeting and let you know the information or documents you need to bring to the meeting.

### What if I am running late for my scheduled appointment?

Contact your BC as soon as possible if you're running late. If you arrive late for your appointment, your BC will try

her best to see you up to the time of any other scheduled appointments, which will take priority. This means that you may not be able to finish your meeting with the BC and must schedule another appointment.

### What if I have to cancel my appointment?

Contact your BC as soon as possible if you need to cancel your appointment. We understand that a situation may arise that will cause you to have to cancel your meeting. Remember, however, that your BC reserves the appointment time for you, so it is important that you contact your BC as soon as you know that you will have to cancel. A "no show" or untimely cancellation may result in processing delays.

### I receive a monthly benefit from HMEPS and I need a letter from HMEPS that shows my monthly benefit amount (for apartment leases, mortgage financing, auto loans, etc.). How do I request the letter?

You can request a Pension Award Letter by calling the HMEPS office at 713-595-0100 and following the phone prompts for retiree matters. You also can come to the HMEPS office and complete a form requesting a Pension Award Letter. You should expect to receive your Pension Award Letter within 1 week. The retiree BC will prepare the letter and send it by mail to your address of record or to your fax number or personal email address you specify in your request. If you are receiving a benefit and have changed your address, you must complete and submit to HMEPS a change of address form.





## Are You a Missing Participant in Another Employer's Retirement Plan?

Over the course of our careers we tend to forget things, and you may occasionally suffer from “out-of-sight-out-of-mind syndrome.” As is often the case when you stop to think about your retirement savings, you may not remember if you have a retirement plan with employers other than the City of Houston.

Take some time to review your income

records and try to identify if you may have left a retirement benefit behind somewhere. It's important to do this early on in your planning in order to avoid unanticipated tax penalties.

You may have heard of the IRS regulation requiring you to start taking minimal distributions each year from certain retirement accounts or face a harsh 50% tax penalty. Plan sponsors try to find “missing participants” in an attempt to pay them the benefits they may be owed. However, finding

accurate information is difficult if, for example, a substantial period of time has passed, if the participant has moved, or if the participant has a different name due to marriage or divorce. So it helps if you reach out and try to contact the retirement plan first.

You can start by checking old employer statements or paycheck stubs for contributions, or researching if there have been any mergers or acquisitions which may change who you need to contact to claim a benefit. If you find a phone number, the easiest thing to do is call and verify if there are any funds available to you. They may already be actively trying to find you.

The National Registry for Unclaimed Retirement benefits, [www.unclaimedretirementbenefits.com](http://www.unclaimedretirementbenefits.com), is an online resource where you can search to see if anyone has registered an unclaimed benefit for you.

If you used to work for a private company that offered a pension, the Pension Benefit Guaranty Corporation (PBGC) should have a record of it. If you can't find contact information for the previous company for one reason or another, you can contact the PBGC to check on the status of your old retirement plan.

So spread the word to your friends and loved ones to start looking for likely retirement benefits. You never know what you might turn up. ...

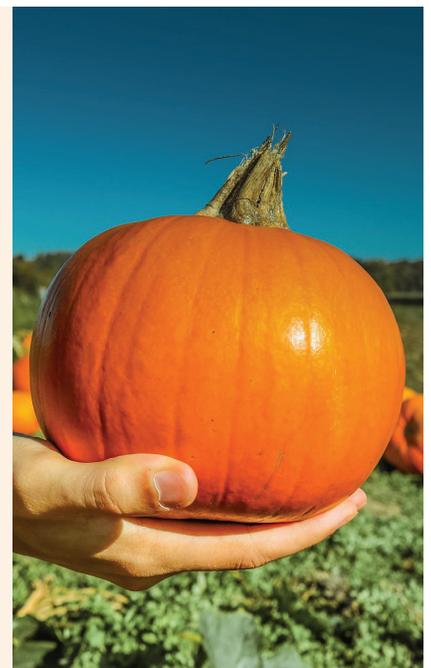
### FUN FACTS

## IT'S PUMPKIN SEASON!

Pumpkin doesn't just taste good, it's also good for you! Rich in vitamins, minerals and antioxidants, pumpkin is incredibly healthy. What's more, its low calorie content makes it a weight-loss-friendly food.

Its nutrients and antioxidants may help boost your immune system, protect your eyesight, lower your risk of certain cancers and promote heart and skin health.

Plus it contains lots of beta-carotene which is great for your skin!





## Douglas Wynkoop Rejoins the HMEPS Investment Team

### **You left HMEPS in 2010, after 15 years of service in the Investment Group. What have you been doing for the nine years that you were away?**

I became the President and Chief Investment Officer at the University of Florida Investment Corporation (“UFICO”), which manages \$2.4 billion for all organizations within the University of Florida system, including the endowment portfolio and the university’s operating capital. I returned to Houston in 2015 as the first Chief Investment Officer for Texan Capital Management, a Houston-based Registered Investment Advisor, where I introduced industry practices to the firm’s investment process and developed a series of multi-asset model portfolios. This was exciting for me, as it provided the opportunity to return to Houston, where I had lived for 25 years. When Texan Capital merged with Chilton Capital, another Houston-based firm, I became Chilton’s Chief Investment Officer, leading its multi-asset portfolio team.

### **Why did you elect to return to HMEPS?**

I returned to HMEPS for three reasons. First, I strongly believe in HMEPS’ mission to provide secure pensions for COH employees. My father is a retired civil servant and the recipient of a public pension. I understand firsthand the importance of our work and the impact our efforts can have on the lives of our members. Second, I have a great deal of respect for the Executive Director, David Long, and the HMEPS team. Third, I enjoy working here. Investment management is an exciting profession as it is continually changing, and HMEPS is a great organization to call home. Enjoying my job is very important to me, as is having mutual respect with my teammates, and providing a meaningful service that positively impacts so many people. HMEPS provides all of these qualities.

### **Discuss your previous investment experience and how that impacts your current role at HMEPS.**

Throughout my investment career, I’ve been a generalist, focusing on building multi-asset portfolios designed to provide attractive risk-adjusted returns. Analogous to the saying, “Don’t put all your eggs in one basket,” multi-asset

portfolios are intended to diversify away from US stocks and bonds. While I’ll be working to identify and invest with quality managers in all asset classes, I anticipate that I’ll be spending the bulk of my time focused on alternative asset classes.

### **What is the biggest challenge and/or advantage of HMEPS’ investment strategy?**

Beginning in the late 1990’s, HMEPS structured its investment portfolio to take a long-term view and to include alternative investments in its portfolio in addition to its traditional stock and bond holdings. Since its adoption, HMEPS has been rewarded with investment performance that has exceeded most of its peer group. During the market downturn in 2008, and the subsequent recovery beginning in 2009, HMEPS was one of the top performing public funds in the nation over the trailing ten years. This strong performance continues today, as the fund’s performance ranks in the top quartile among its peers over the trailing five years, and is above median over the trailing ten years. The biggest challenge facing HMEPS is to continue to deliver strong investment performance as the capital markets continue to evolve.

“I strongly believe in HMEPS’ mission to provide secure pensions for COH employees.”

### **How do you view your contribution to the investment strategy moving forward?**

My experience in the endowment and investment management communities helps me bring a complementary perspective to portfolio construction. I will work with the other members of the investment team to continue to maintain the discipline of a long-term investor and to identify and assess opportunities that will have a positive impact to our long-term results. \*\*\*

## Steve Waas Transitions to **New Role**

**You previously worked as the Financial Counselor for HMEPS from 2008 to 2018. What is your current role at HMEPS?**

Like many members of the staff at HMEPS, I “wear many hats.” I might be helping put together our financial reports one day, dealing with an information technology issue the next, and talking to legislators or pension regulators in Austin the day after that. Over the last couple of years I’ve been helping Nicole Riney prepare to take over the financial counseling service that HMEPS has been providing for over ten years. I’ve been very pleased with how smoothly that process has gone, and I believe participants can look forward to high quality financial counseling services at HMEPS for years to come.

**How does your previous experience help you in this role?**

As a financial counselor I worked with countless city employees and retirees -- getting to know them and the issues important to them. Now I find it much more natural to approach things from their point of view regardless of the type of issue I am working on.

**Describe how your work impacts the daily operations of HMEPS.**

Most of my time is spent managing the Accounting, Records and Information Technology teams. We have a lean staff, so there is plenty to do. Fortunately the staff is very competent and professional -- that definitely makes my job easier.

**Tell me why you enjoy working at HMEPS.**

There are many things, of course. Helping members one-on-one has always been a very satisfying part of the job for me. I don’t do as much of that as I used to. But I know that those individual members are what it’s all about. And that makes everything else I’m involved in all the more satisfying. ...



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**FINANCIAL  
BOOT  
CAMP**

**DISCIPLINE. FOCUS. STRATEGY.**

**OCTOBER 15 @ 0830 | LEGACY ROOM**

**OCTOBER 25 @ 0900 | HCDE BUILDING**

Registration is now OPEN. Go to [www.hmeps.org](http://www.hmeps.org) for more info!

  
**FREE**

**FINANCIAL RETIREMENT EDUCATIONAL EVENT**

# Retirements: First & Second Quarter 2019

<u>Admin &amp; Regulatory Affairs</u> William Stephens Jacklyn Strickland Teresa Cuellar	<u>General Services</u> Venkatesh Nagasandra Johnnie Richmond	<u>Municipal Courts</u> Teresa Williams Michael Randle Gordon Marcum Benita Sharpe	Cain Davis Glenn Deeton Sharon Harrell Gloria Miller Algie Grant Ella Mcrae Ali Khairandish Yolanda Brown-Kingsberry
<u>Aviation</u> Monica Wilson Carlos Figueroa Keith Goodwin Qui Tran Mirl Moody Francine Poulin Maria Stepnik Shatha Lingle Chong Nguyen	<u>Health &amp; Human Services</u> Jovita Fernandez Mildred McGaughy Ann Garcia Risha Jones Edward Puig Juanita Cantu Karen Miller Maria Alvarado Villalobos Fabiola Arguelles Felix Onwuzuruike Sheila Savannah Angela Canty Dianne Barnett Jacqueline Mitchell-Coleman	<u>Parks &amp; Recreation</u> Christopher Emeharole O'Neal Jackson Jannette Valles Steven Hubert Roderick Dewees	Byron Rigsby Marion Jackson Karen Outley Felecia Cotton Carl McDonald Robert Lemley Wilbert Cernosek Robert Jenkins Charles Meyers Baudelio Mata Len Holley Anthony Gordon Connie Bushey William Griffin Rochelle Bennett Azar Ahmadian Felix Villegas Thomas Artz Robert Wofford Olivia Banks John Jordan Marion Coles
<u>Controller</u> Annie Nguyen	<u>Houston Emergency Center</u> Elizabeth Beregszaszy Priscilla Gwynn Freddie Lakey	<u>Planning and Development</u> Tommy Mah Lawrence Boyce	Robert Cernosek Robert Jenkins Charles Meyers Baudelio Mata Len Holley Anthony Gordon Connie Bushey William Griffin Rochelle Bennett Azar Ahmadian Felix Villegas Thomas Artz Robert Wofford Olivia Banks John Jordan Marion Coles
<u>Convention and Entertainment</u> Mary Grant	<u>Human Resources</u> Lillian Lim	<u>Police</u> Esperanza Leon Richard Shutic Cynthia King Nellie Ratliff Jolene Williams Delia Guerrero Lenora Dixon Linda Parr Susan McCoy Thieu Dang Theresa Taylor Cynthia Petty	Robert Wofford Olivia Banks John Jordan Marion Coles
<u>Dept. of Neighborhoods</u> Gregory Pickett Maria Bolanos Jesse Tamayo	<u>Legal</u> Michael Martin	<u>Public Works</u> Linda Taylor Martha Beger Ralph Barajas Sharlene August Steven Melendez	<u>Solid Waste</u> Mario Valdez Jacquelyn Gable
<u>Finance</u> Mabel Martinez Jeff Meekins Henry Yu Jacqueline Smith	<u>Library</u> Hellena Stokes Lourdes Bradford Ambree Killings Carolyn Rittenhour		
<u>Fleet</u> Lester Shannon Linda Jones Max Milstead Kenneth Davis			

The Retirements section lists names and departments of those retiring participants who have indicated on their retirement applications that they wished to have an announcement of their retirement included.

## 2019 Pension Payment Schedule: October - December

Direct Deposits (ACH) will be deposited on the last business day of each month. If you receive a pension check by mail, it is typically mailed 3-4 days before the last business day of the month. However, postal delays may lengthen the period of time before check delivery. Call HMEPS for information on signing up for direct deposit of your benefit. The complete 2019 calendar may be downloaded by visiting our website: [www.hmeps.org/retirees](http://www.hmeps.org/retirees).

October							November							December						
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	2	3	4	5	6	7
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28
27	28	29	30	31			24	25	26	27	28	29	30	29	30	31				

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



# HMEPS

HOUSTON MUNICIPAL EMPLOYEES PENSION SYSTEM

### 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.