



# PENSION PRESS

The Newsletter of the Houston Municipal Employees Pension System



## Update From the Chairman

Sherry Mose  
Chairman

Dear Participants,

I want to begin by expressing my sincere gratitude for being elected to a new term as your HMEPS Trustee. It is an honor to serve you, and I will continue to work diligently to reward the trust you have placed in me. I also want to congratulate Roy W. Sanchez and David L. Long on their reelection to the Board. I look forward to working with them and all my colleagues on the Board, as well as the HMEPS staff, to make HMEPS stronger than ever. Thanks to all participants who took part in the election process.

Recently, Barbara Chelette was again sworn in as the elected Trustees' appointee to the HMEPS Board, along with all four sitting City appointed Trustees who were also reappointed for a three-year term. I thank Barbara and all appointed Trustees for their service to HMEPS.



HMEPS Trustee Adrian Patterson, Chairman Sherry Mose, Trustee David L. Long and Secretary Roy W. Sanchez take the oath of office. Amy Rowley, Executive Assistant, administers the oath.

I am delighted to report that Fiscal Year 2014, which ended June 30, 2014, was very strong for HMEPS. The System closed out the year

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### Make Plans Now to Attend the 2014 Fall F.R.E.E. Summit Tues., Oct. 21 and Thurs., Oct. 23

Do you want to learn more about your pension, deferred compensation and social security benefits? If so, you should make plans to attend the 2014 Fall F.R.E.E. Summit. Turn to Page 6 for more information about the Summit as well as how to register.



Stay connected with us by visiting [www.hmeps.org](http://www.hmeps.org) or finding us on social media!



# An Update From the Chairman (Continued from Page 1)

with an all-time high of \$2.4 billion in assets, and the investment portfolio posted a 16.39% return, gross of fees. I want to commend the HMEPS staff for its effective management and prudent investment strategy and for the outstanding performance in 2014.

As you know, public employee pensions continue to be a hot topic for the news media and policy-makers at various levels of government. The City of Houston continues to face financial challenges and the 84th session of the Texas Legislature will commence in January 2015. HMEPS has actively engaged with elected officials, business and opinion leaders and other stakeholders to communicate the facts about HMEPS' record of success. As always, we will continue to monitor any pension-related public commentary, legislation or other proposed policy changes, and will remain vigilant on behalf of our participants.

As part of our ongoing efforts to stay connected with you, I want to remind you to use HMEPS' social media resources by signing up for email blasts and following HMEPS on Facebook and Twitter.

Finally, I want to thank everyone who attended the 2014 Spring Financial Retirement Employees Educational (F.R.E.E.) Summit. Over 600 people attended the event

and received valuable information on their deferred compensation and pension plans. If you were unable to attend the event, please note the 2014 Fall Summit is fast approaching! This flagship event will be held Tuesday, Oct. 21 and Thursday, Oct. 23, and promises to be the best one yet. I encourage you to attend with fellow staff members and to make your retirement goals a reality.

Your Chairman,



Sherry Mose

## HMEPS Investment Update

Market Value by Asset Class

	June 30, 2014	March 31, 2014
Global Equity	\$ 1,012,108,722	\$ 1,007,376,251
Fixed Income	410,060,131	398,451,160
Real Estate	241,702,148	228,122,936
Inflation Linked	218,877,391	197,443,390
Private Equity	357,366,429	334,801,598
Absolute Return	214,085,028	201,202,747
Cash	15,386,604	12,901,277
<b>Total</b>	<b>\$2,469,586,454</b>	<b>\$ 2,379,489,359</b>

## Employees Who Serve In the Military:

After you return to City employment from military service, **immediately** advise HMEPS and submit a DD-214 so



that you are able to claim all eligible USERRA-covered credited service.

For information, please call Terri Murray at 713-595-0100.

## HMEPS Receives Awards for Excellence in Financial Reporting

HMEPS has been awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its 2013 Comprehensive Annual Financial Report (CAFR). HMEPS was also awarded a Certificate of Achievement for Excellence in Popular Financial Reporting by the GFOA for its 2013 Report to Participants.

The GFOA is a non-profit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL and Washington, D.C. For more information visit [www.gfoa.org](http://www.gfoa.org).



# 2014 HMEPS Board of Trustees Election Results and Profiles

The 2014 Trustee Election results are in! Roy W. Sanchez was re-elected to Employee Trustee position 6, and David L. Long was re-elected to Retiree Trustee position 8. Sherry Mose, HMEPS Trustee and Chairman, was unopposed for election to Trustee Position 5, effective with the new term beginning August 2014.

## Sherry Mose, Employee Trustee Position 5



Sherry Mose  
Elected Trustee

Sherry has served as a City employee for over 20 years. She holds the positions of Chairman of the Board of Trustees, Chairman of the External Affairs Committee, Chairman of the Investment Committee and Vice Chairman of the Personnel and Procedures

Committee. Sherry was also recently reelected to the Texas Association of Public Employee Retirement System's (TEXPERS) Board of Directors where she serves as First Vice President.

Sherry Mose is Plan Administrator of the City of Houston Deferred Compensation Plan. She is responsible for all aspects of this program, which is available to over 23,000 employees.

Sherry served as President for the National Association of Government Defined Contribution Administrators (NAGDCA). She has 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 from The International Foundation for Retirement Education (InfRE). She has received her Certified Trustee Training (CTT) certification from TEXPERS. Sherry also completed the Program for Advanced Trustee Studies at Harvard Law School.

## Roy W. Sanchez, Employee Trustee Position 6

Roy W. Sanchez has been a HMEPS Trustee for over 4 years. He was elected to the Board of Trustees in

2010 and currently serves as Vice Chairman. He has served the City of Houston for over 21 years as a Senior Electrical Inspector in the Code Enforcement Division of the Public Works & Engineering Department.



Roy W. Sanchez  
Elected Trustee

Roy is currently serving his second term as Treasurer for the Houston Organization of Public Employees (H.O.P.E.) and has been actively involved with employee issues as a H.O.P.E. officer and member.

Roy completed the Certified Trustee Training (C.T.T.) offered by the Texas Association of Public Employee Retirement Systems (TEXPERS), an in-depth course on ethics, investments, fiduciary duties, actuarial matters and legal matters. Roy also completed the Program for Advanced Trustee Studies at Harvard Law School.

## David L. Long, Retiree Trustee Position 8



David L. Long  
Elected Retiree Trustee

David L. Long has a long history with HMEPS, both as a member and as the plan administrator of the system. As a member with over 31 years of service, and as the Executive Director of HMEPS for over 16 years, David has

gained valuable experience in plan administration, financial matters, investment management, and board governance.

Prior to his work in the public pension arena, David worked for 13 years in the City of Houston Finance and Administration Department, primarily on issuing tax exempt municipal bonds.

David is a graduate of Texas A&M University, where he received a Bachelor of Science Degree in 1974, and a Masters Degree in 1976.



Steve Waas, CFP®, EA  
Manager of Policy and  
Financial Planning

## Managing Debt Difficulties

People end up with debt problems for a variety of reasons. Often, debt problems emerge when people experience unanticipated financial shocks such as a period without a job, a divorce, or devastating medical expenses. People facing such problems can feel overwhelmed – resulting in a kind of “debt paralysis” according to the National Foundation for Credit Counseling (NFCC).

NFCC offers a series of tips – what to do and what not to do – if you find yourself in such a situation. Here are a few of their suggestions:

- Reaching a credit limit on a credit card should be viewed as a warning sign that there could be an underlying problem. Don't jump into applying for more credit cards when you've “maxed out” one or more cards.
- Don't make the mistake of trying to hide your spending problems from family members. That can make things worse for you both financially and personally.
- Get creative in finding ways to cut expenses. What might seem like a small amount of savings can add up over time. Minor changes to how and where you eat meals can save a surprising amount of money over a year (limit eating out to one or two times a week, skip appetizers or desserts, etc.) Cutting expenses by as little as \$20 a week can save you over \$1,000 a year.

I'll add a few other observations.

- Anyone can find themselves in debt problems at some point in their life. “Debt paralysis” is when you start making the situation worse by not dealing with it. Sometimes “dealing with it” is emotionally hard because it brings back memories

of past problems or decisions you don't want to think about. You need to get over that. Dealing with old debts is not about the past – it's about your future.

- If you are trying to get rid of credit card debts, it can be hard to motivate yourself to send more of your hard earned money just to reduce the balance you owe. You might try turning that thinking

around. If your interest rate on a given credit card is 18%, then each time you send an extra \$100 to reduce the balance, it's just like investing that money at an 18% rate of return! Not only that -- it's a return that is effectively risk free and tax free. Reducing a credit card balance is investing for the future.

- Once you do get out from under the debt, commit yourself to rapidly building up an emergency reserve. Continue to save whatever extra dollars you were using to pay down the debt, and keep that money off limits except in true emergency situations. This is the best way to avoid encountering these problems again.

You can find more tips and suggestions at NFCC's website, [www.nfcc.org](http://www.nfcc.org), and also at [www.mymoney.gov](http://www.mymoney.gov).

*Steve Waas is a Certified Financial Planner and is available for individual meetings with participants. Steve also discusses financial topics in our newsletters to help participants better understand these important issues.*

The information contained herein is general in nature and is not intended as legal, tax, or investment advice, and should not be used in any actual transaction without the advice and guidance of a professional tax advisor who is familiar with all the relevant facts. HMEPS assumes no obligation to inform any person of any changes in the tax law or other factors that could affect the information contained herein.



**Call this a hunch Bob, but are you having debt problems?**

## City IT Manager Committed to Houston for the Long-Term

For Rick Nicholson, keeping City of Houston employees connected with each other and the world outside is his job – but making and maintaining genuine connections with his co-workers is one of his biggest rewards.

As an Information Resources Manager (IRM) in Houston Information Technology Services (HITS), Nicholson manages a group of system administrators who support and maintain a wide variety of electronic services to city employees, including email, system updates, patching, monitoring network devices and various security applications.

“We support and maintain tools that allow other groups – our IT customers – to keep systems highly available and secure,” Nicholson said. “We work with interdepartmental groups to help make supporting their systems easier and to have better control of their systems.”

“Our team makes sure other teams can serve their customers,” he said. “The tools we provide help them manage and monitor their electronic systems. A big part of this is the email system.”

“The citizens don’t really get to see our team in action. But when you call 311 and it works, when you easily pay fees online or when you communicate via email with elected officials – that is our work,” he said.

So far, Nicholson has put in 20 years of proud service to the city. After graduating from Texas A&M University, the San Antonio native moved to Houston where he started working full-time for the City’s Public Works and Engineering Department in 1994. After 8½ years in that department, he moved to what is considered the central IT department to manage the overall email system. With the advent of more centralization, the department’s duties increased and the staff grew from three to now over 16, including two system managers.



Rick Nicholson, Information Resources Manager in Houston Information Technology Services, and his team are dedicated to ensuring electronic systems operate correctly for both City of Houston employees and citizens.

“My wife and I thought we’d be here a couple of years then go back to San Antonio. But as we stayed in Houston, I really got into my job. I had the chance to do important work and make a difference. I also liked the people. I kept learning, I got promoted and I just kept going – and here it is 20 years later.”

“Now, we would never dream of leaving Houston. This is our home,” Nicholson said. “I’m also connected to my co-workers. We have celebrated so many professional and personal successes and helped each other through hard times. You do feel like you have a family here. To me, that’s a great part about working here.”

Nicholson, 44, is especially committed to his family, his wife and teenage daughter, and making sure he is providing for them now and securing his long-term financial future.

“Planning for my future and having a secure retirement are very important to me,” he said. “My family is depending on my pension, for which I’ve contributed a portion of my salary for every day I’ve worked here. We have some deferred compensation savings, but there is no other retirement option for my family. My wife doesn’t have a retirement package.”

But Nicholson is concerned about the negative attention being heaped on the Houston Municipal Employees Pension System and other pension funds. Any

changes to his HMEPS pension system would likely greatly affect his retirement plans, he said.

“I took the slow-and-steady wins the race route vs. the huge payday. I also feel that as a public employee, I am doing a civic duty,” he said. “I’m doing a good job for the city. Don’t penalize me because I stayed in a job I love for over 20 years.

“Friends have told me I would make more money outside in the private sector, but I love my job and the people here – and I feel we do an important job for this city.”

*(Continued on Page 6)*

Sherry Mose, HMEPS Chairman, and Summit sponsors HMEPS and City of Houston Deferred Compensation Plan continue to educate you on your retirement with a new

# 2014 FALL F.R.E.E. SUMMIT

## FINANCIAL RETIREMENT EMPLOYEES EDUCATIONAL SUMMIT

You, your pension and deferred compensation program will be the topics of discussion at this session. Start and Finish Your Race to Retirement!

**Tuesday, October 21, 2014**

**10:00 am to 2:15 pm, 611 Walker,  
Garden Level Auditorium**

**OR**

**Thursday, October 23, 2014**

**10:00 am to 2:15 pm,  
Harris County Dept. of Education  
6300 Irvington Blvd.**

FREE for ALL City of Houston employees, retirees and spouses or one family member

Register at: [www.2014fallfreesummit.eventbrite.com](http://www.2014fallfreesummit.eventbrite.com)

Sponsored by: Houston Municipal Employees Pension System and City of Houston Deferred Compensation Plan

For more information call Pete Koops, HMEPS, at 713-595-0123



## **IT Manager Committed for the Long Term** *(Continued from Page 5)*

Nicholson had the chance to discuss his concerns recently with HMEPS Chairman Sherry Mose when he met her at the Public Works & Engineering Bob Lanier Building where he had gone to make some changes to his deferred compensation account. They started talking about planning for retirement – and the negative attention pension systems have been receiving from some government officials, anti-pension advocates and in the media.

“When you see what’s written about our pension systems in the media, it’s hard not to take it personally,” he said. “I have a lot of years with the city. This is my future you’re messing with. People in the public sector don’t get paid the same as those in the private sector, but we usually have pretty good benefits.”

“I read articles that talk about how the pension costs too much for the city – but then I know that the reality is, the pension costs are a small part of the city budget.”

Nicholson has used a number of HMEPS’ services. He receives and reads HMEPS emails, has listened to guest

speakers and has met with pension employees to discuss his retirement.

“I really admire how HMEPS is run. They do a good job in securing our pension. I feel assured that I will have benefits I can rely on because of HMEPS,” he said.

He also appreciates the efforts of the HMEPS board and staff in protecting the fund and looking out for its participants.

“I feel that I’ve been very fortunate to have the city as an employer. What seemed like a good job has turned into one of the cornerstones of my life,” he said.

“My plan is to retire as a city employee. I love working here and I am committed to the city. When I leave here, after 25 years or more, I look forward to receiving a secure pension,” he said. “I have done what was asked of me, and I have served the taxpayers well. I came here, did a good job and I expect to get the benefits promised to me. I’m holding up my side – hold up your side.”

# Retirements

## 1st and 2nd Quarter 2014



<b>Administration &amp; Regulatory</b>	<b>Neighborhoods</b>	<b>Quiroga, Ene delia</b>	<b>Library</b>	<b>Police</b>	<b>Hines, Eugene</b>
Belt Rhea, Rhonda	Thornton, Linda	Simmons, Hannie	Guerrero, Rafael	Balderas, Yolanda	Johnson, Gerry
Davis, Danny	<b>Finance</b>	Stephens, Karen	Hall, Cary	Cheng, Dorothy	Kapoor, Rakesh
Harris, Tracy	Reynolds, Howard	Williams, John	Jackson, Alice	Doby, Gloria	Khan, Azmatullah
Taylor, Patricia	<b>Houston Emergency Center (HEC)</b>		Martinez, Maria	McLachlan, Libby	Kingston, Charles
Walker, Walter	<b>Fleet</b>		Wheeler, Eva	White, Debbie	Kuykendall, Jerome
<b>Aviation</b>	Flowers, Robert	<b>Human Resources</b>	<b>Mayor</b>	<b>Public Works &amp; Engineering</b>	Martinez, Alfredo
Cisneroz, Joel	Stevens, Ralph	Glover, Shirley	Appel, Madeleine	Amos, Peter	Mitchell, Charles
Clark, Frank	<b>General Services</b>	Haller, Arthur	<b>Municipal Courts</b>	Andrews, Harold	Nguyen, Tien
De Leon, Candida	Goodman, Alan		Foreman, Vera	Balchus, Rita	Ortega, Alfred
Kimich, Kathy	Nwajagu, Steve	<b>Information Technology</b>	Yates, Cora	Baines, John	Payne, Mark
Klein, John	Phillips, Alvin	Amini, Farshid		Bates, Reginald	Rakshit, Ramendra
Purifoy, Joyce	Richardson, Charles	Charleston, Carrie	<b>Parks &amp; Recreation</b>	Boyd, Gary	Rodriguez, Miguel
Scott, Charles	Williams, Ruth	Hendon, Deborah	Chan, Vann	Cajita, Narcasio	Rodriguez, Paula
Short, Betty	<b>Health &amp; Human Services</b>		Delafuente, Maria	Caldwell, Donna	Trujillo, Rebecca
Thompson, Don	Dawson, Larry	<b>Legal</b>	Eaton, Delores	Campbell, Ronald	Walker, Lenoria
Thompson, James	Hardy, Nawita	Cheatham, Robert	Medina, Santiago	Clay, Opal	Washington, Billy
White, Roger	Hill, Ruth	Crouch, Malinda	Mitchell, Albert	Cortez, Roberto	Williams, Demetral
<b>Convention &amp; Entertainment</b>	Johnson, Manda	Gonzales, Raymond	Neal, Beatrice	Craft, Earnest	Williams, Guyneth
Fajardo, Victor	Juchau, Simmeon	Pourteau, Melba	Newsome, Jo Ann	Dodson, Raymond	Wilson, Harvey
Kimsey, Scott	King, Kathy	Ward, Jodeyce	Nutt, Davis	Dotson, Darrell	
Martinez, Aurora	Nelms, Joyce		Youmans, Eric	Gordon, Samuel	<b>Solid Waste</b>
Starrett, Maria			Young, Keith	Hall, Davis	Abraham, John
Williams, Michael				Hall, Jackie	Boutte, Arnold
				Hanson, James	Goffney, Lowell
				Hill, Sandra	Owens, Michael
					Swinney, Teresa
					Sykes, Brett
					Wilson, Eddie

The Retirement 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.

## Pension Payment Schedules September to December 2014

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

- Tuesday, Sept. 30
- Friday, Oct. 31
- Friday, Nov. 28
- Wednesday, Dec. 31

Checks are mailed to arrive by the last business day of the month.



Gary Gano and Jere Talley recently met with Chairman Sherry Mose and Executive Director Rhonda Smith to discuss pension issues at one of the regularly scheduled "Coffee With the Chairman" events.

# PENSION PRESS

Houston Municipal Employees Pension System



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## BOARD OF TRUSTEES

### ELECTED AND APPOINTED TRUSTEES

Sherry Mose, *Chairman*  
Roy W. Sanchez, *Vice Chairman*  
Lonnie Vara, *Secretary*  
David L. Long  
Asha Patnaik  
Lenard Polk  
Barbara Chelette, *Appointed*

### CITY APPOINTED TRUSTEES

Richard Badger  
Edward J. Hamb II  
Craig T. Mason  
Adrian Patterson

## PENSION PRESS

Rhonda Smith,  
*Executive Director*  
Peter Koops,  
*Communications Specialist*  
Anna Whitson,  
*Administrative Assistant*

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.

## HMEPS CONTACT INFORMATION

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