



Serving the Active and Retired Members of:

CITY OF SAN JUAN
CAPISTRANO

October 11, 2012

COUNTY OF ORANGE

Thomas J. Borris, Presiding Judge of the Superior Court
Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701

ORANGE COUNTY
CEMETERY DISTRICT

ORANGE COUNTY
CHILDREN & FAMILIES
COMMISSION

RE: 2011-12 Grand Jury Report "Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?"

ORANGE COUNTY
DEPARTMENT OF
EDUCATION (CLOSED TO
NEW MEMBERS)

Dear Honorable Thomas J. Borris:

ORANGE COUNTY
EMPLOYEES
RETIREMENT SYSTEM

I am responding to the Roy B. Baker III letter dated June 7, 2012 regarding the Grand Jury report "Transparency Breaking Up Compensation Fog – But Why Hide Pension Costs?"

ORANGE COUNTY FIRE
AUTHORITY

The Orange County Employees Retirement System (OCERS) has carefully reviewed and implemented the 2011-2012 Grand Jury recommendation that relates to compensation transparency. Regarding "Recommendation 4 – Transparency of Employer Pension Contribution Rates" highlighted on page 28 of the report, OCERS has revised its Web site to provide direct access to employer contribution rates via the "Contribution Rates" button featured in the "Quick Links" box on the home page. That link takes users to an "Employer and Employee Contribution Rates" page where they have an ability to easily access the rates for all OCERS-covered plan sponsors.

ORANGE COUNTY IN-HOME
SUPPORTIVE SERVICES
PUBLIC AUTHORITY

ORANGE COUNTY LOCAL
AGENCY FORMATION
COMMISSION

ORANGE COUNTY PUBLIC
LAW LIBRARY

ORANGE COUNTY
SANITATION DISTRICT

In addition, OCERS' Web site (www.ocers.org) now has the precise salary and benefits for all OCERS direct employed employees for the most recent calendar year. Here are three categories outlined in the report where we have enhanced our online site to comply with the spirit of the Grand Jury's recommendations.

ORANGE COUNTY
TRANSPORTATION
AUTHORITY

1. **Accessibility** – We have created a button on the lower area of the home page titled "Compensation." It is positioned next to the "Careers" button and is accessible from all primary pages on OCERS Web site. In addition, we have created a specific link on the "About OCERS" page that accesses the same PDF document. That document can be viewed and/or printed.

SUPERIOR COURT OF
CALIFORNIA, COUNTY
OF ORANGE

TRANSPORTATION
CORRIDOR AGENCIES

2. **Content & Clarity for Executive Compensation Page** – In an easy-to-read table that opens up as a PDF, we have displayed the actual salary and all benefit costs for the five members of our Executive team here at OCERS. Categories such as salary, employer contributions to the pension plan, and deferred compensation contributions are displayed clearly.

UCI MEDICAL CENTER AND
CAMPUS (CLOSED TO
NEW MEMBERS)

Honorable Thomas J. Borris
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3. **Content & Clarity for Employee Compensation Page** – In another area of the aforementioned document, all 15 OCERS managers' actual salary and benefit costs are shown in detail, with the total compensation cost for each position included in the table.

If you have any questions concerning this issue, please contact me at 714-558-6222.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Delaney". The signature is fluid and cursive, with the first name "Steve" written in a larger, more prominent script than the last name "Delaney".

Steve Delaney, Chief Executive Officer
Orange County Employees Retirement System

cc: Russell Baldwin, Chair, OCERS Board of Retirement
Frank Eley, OCERS Board of Retirement
Tom Flanigan, OCERS Board of Retirement
Shari Freidenrich, OCERS Board of Retirement
Bob Griffith, OCERS Board of Retirement
Wayne Lindholm, OCERS Board of Retirement
Reed Royalty, OCERS Board of Retirement
Charles Packard, OCERS Board of Retirement
Ray Geagan, OCERS Board of Retirement
Roger Hilton, OCERS Board of Retirement

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

Executive Compensation paid in Calendar Year 2011

Executive Name	Title	2011 Base Salary Paid	Leave Time and Contractual Pay Outs	Management Incentive Program	Employer Contribution to Pension Plan*	Employer Pick Up of Employee Portion of Pension Plan Contribution	Medical & Dental Insurance	Deferred Compensation	Life, AD&D, and Disability Insurance	Retiree Health Care Contribution	Other**	Total Cost of Benefits	Total Compensation Costs Paid by OCERS
Delaney, Steve	Chief Executive Officer	\$ 203,503	\$ -	\$ 2,000	\$ 74,102	\$ 8,231	\$ 26,541	\$ 835	\$ 5,322	\$ 13,299	\$ 128,330	\$ 333,833	
Horn, Jennifer	Managing Director of Investments	\$ 263,515	\$ 11,402	\$ -	\$ 58,228	\$ 31,124	\$ 27,335	\$ 1,018	\$ 6,890	\$ 15,989	\$ 147,195	\$ 422,112	
Shott, Brenda	Asst CEO, Finance & Internal	\$ 45,000	\$ 6,800	\$ -	\$ 13,090	\$ 5,565	\$ 1,800	\$ 170	\$ 1,170	\$ 6,662	\$ 30,566	\$ 82,366	
Wynes, Julie	Asst CEO, External & Legal Ops	\$ 165,485		\$ 2,000	\$ 40,164	\$ 18,490	\$ 20,632	\$ 723	\$ 4,379	\$ 11,608	\$ 108,676	\$ 276,161	
Cadena, Steven	Asst CEO, Finance & Internal	\$ 85,849	\$ 90,542	\$ -	\$ 9,585	\$ 5,190	\$ 8,657	\$ 181	\$ 1,100	\$ 7,627	\$ 35,489	\$ 211,880	

Management Compensation paid in Calendar Year 2011

Title	2011 Salary Paid	Leave Time and Other Contractual Pay Outs	Management Incentive Program	Employer contribution to pension plan*	Employer pick up of employee portion of pension plan contribution	Medical & Dental Insurance	Deferred Compensation	Life, AD&D, and Disability Insurance	Retiree Health Care Contribution	Other**	Total Cost of Benefits	Total Compensation Costs Paid by OCERS
Attorney	\$ 125,237		\$ 2,000	\$ 30,507	\$ 14,886	\$ 742	\$ -	\$ 557	\$ 3,327	\$ 8,759	\$ 58,778	\$ 186,015
Attorney	\$ 118,102		\$ 2,000	\$ 28,795	\$ 14,905	\$ 8,231	\$ -	\$ 535	\$ 3,140	\$ 8,611	\$ 64,217	\$ 184,319
Attorney	\$ 121,680		\$ 2,000	\$ 29,654	\$ 15,789	\$ 11,694	\$ -	\$ 546	\$ 3,234	\$ 8,818	\$ 69,735	\$ 193,415
Director of Finance	\$ 36,808	\$ 19,964	\$ 1,400	\$ 8,651	\$ 4,707	\$ 4,048	\$ -	\$ 171	\$ 992	\$ 4,543	\$ 23,112	\$ 81,284
Director of Internal Audit	\$ 26,210		\$ -	\$ 9,840	\$ -	\$ 1,951	\$ -	\$ 107	\$ 681	\$ 4,031	\$ 16,610	\$ 42,820
Director of Investment Operations	\$ 181,850	\$ 7,881	\$ 2,000	\$ 44,094	\$ 19,543	\$ 15,533	\$ 20,359	\$ 770	\$ 4,807	\$ 12,509	\$ 117,615	\$ 309,346
Financial Reporting Manager	\$ 85,487	\$ 3,695	\$ 1,400	\$ 20,813	\$ 8,598	\$ 6,240	\$ -	\$ 437	\$ 2,270	\$ 7,246	\$ 45,604	\$ 136,186
Financial Reporting Manager	\$ 76,368	\$ 3,301	\$ 1,800	\$ 18,718	\$ 9,692	\$ 6,240	\$ -	\$ 410	\$ 2,042	\$ 6,910	\$ 44,012	\$ 125,481
Human Resources Manager	\$ 105,872		\$ 2,000	\$ 25,861	\$ 11,575	\$ 8,231	\$ -	\$ 499	\$ 2,821	\$ 8,075	\$ 57,062	\$ 164,934
Internal Auditor	\$ 317		\$ -	\$ 73	\$ 32	\$ 47	\$ -	\$ 8	\$ 8	\$ 3,442	\$ 3,610	\$ 3,927
Investment Analyst	\$ 75,005	\$ 1,623	\$ 2,000	\$ 18,455	\$ 7,963	\$ 8,231	\$ -	\$ 406	\$ 2,014	\$ 6,830	\$ 43,899	\$ 122,527
Investment Analyst	\$ 84,115	\$ 3,640	\$ 2,000	\$ 20,640	\$ 9,154	\$ 742	\$ -	\$ 433	\$ 2,252	\$ 7,125	\$ 40,346	\$ 130,101
Member Services Director	\$ 118,123	\$ 5,111	\$ 2,000	\$ 28,800	\$ 12,541	\$ 11,466	\$ -	\$ 535	\$ 3,141	\$ 8,671	\$ 65,154	\$ 190,388
Member Services Manager	\$ 83,678		\$ 2,000	\$ 20,536	\$ 9,734	\$ 8,321	\$ -	\$ 432	\$ 2,240	\$ 7,145	\$ 48,408	\$ 134,086
Public Relations Analyst	\$ 79,851	\$ 5,183	\$ 2,000	\$ 19,629	\$ 9,042	\$ 11,694	\$ -	\$ 420	\$ 2,142	\$ 7,086	\$ 50,013	\$ 137,047

*Employer portion of pension contribution includes both the "Normal Cost" and the current year's portion of the amortized unfunded actuarial liability (UAAL)

The UAAL portion was 15.50% of salaries from January - June 2011 and was 16.84% of salaries from July-December 2011. Normal cost was 11.61% and 11.55% for the same periods.

** Other includes Medicare, Optional Benefit Plan, Unemployment and Workers' Compensation Insurance