

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM  
BOARD OF RETIREMENT  
2223 E. WELLINGTON AVENUE, SUITE 100  
SANTA ANA, CALIFORNIA

REGULAR MEETING  
JANUARY 17, 2012  
9:00 a.m.

NOTICE OF TELECONFERENCE MEETING

A MEMBER OF THE BOARD OF RETIREMENT FOR THE ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM MAY PARTICIPATE IN SOME OR ALL OF THE REGULAR BOARD MEETING, SCHEDULED FOR JANUARY 17, 2012, VIA TELECONFERENCE AT THE LOCATION LISTED BELOW, WHICH IS ACCESSIBLE TO THE PUBLIC.

TELECONFERENCE LOCATION

STRATEGIC LOCAL GOVERNMENT SERVICES, LLC  
1415 L STREET, SUITE 200  
SACRAMENTO, CA 95814

THE LOCATION LISTED ABOVE IS ACCESSIBLE TO THE PUBLIC INCLUDING THOSE WITH DISABILITIES. THE AGENDA WILL BE POSTED AT LEAST 72 HOURS PRIOR TO JANUARY, 17, 2012. THE PUBLIC WILL HAVE THE ABILITY TO HEAR THE MEETING AND ADDRESS THE BOARD ON ALL PUBLIC AGENDA ITEMS.

AGENDA

The Orange County Board of Retirement welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Board of Retirement encourages your participation. The public, plan members, beneficiaries, and/or representatives may speak to any subject matter contained in the agenda at the time the item is addressed. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following agenda. When addressing the Board, please state your name for the record prior to providing your comments. Speakers will be limited to three (3) minutes.

Pledge of Allegiance

**CONSENT AGENDA**

All matters on the Consent Agenda are to be approved by one action unless a Board Member or a member of the public requests separate action on a specific item.

**C-1 MATERIAL DISTRIBUTED**

[Application Notices](#)  
[Death Notices](#)

- January 17, 2012  
- January 17, 2012

**Recommendation:** Receive and file.

C-2 [BOARD MEETINGS AND COMMITTEE MEETINGS: Approval of Meetings and Minutes](#)

Regular Board Meeting

- December 19, 2011

**Recommendation:** Authorize all meetings and approve all minutes.

C-3 [RECOMMENDATIONS OF THE AUDIT OVERSIGHT COMMITTEE RESULTING FROM A MEETING ON JANUARY 5, 2012:](#)

A. FINANCIAL AUDIT

**Recommendation:**

1. Approve the 2010 Audited Financial Statements
2. Direct staff to finalize the 2010 Comprehensive Annual Financial Report (CAFR) and present it to the Board of Retirement at their regularly scheduled Board meeting.

B. FINANCIAL REPORTING TO THE BOARD OF RETIREMENT

**Recommendation:** Direct OCERS staff to prepare and present to the Board of Retirement on a quarterly basis the following financial reports:

- A. Unaudited Basic Financial Statements
- B. Budget Variance Report

D. REVISED INTERNAL AUDIT CHARTER AND REVISED AUDIT COMMITTEE CHARTER

**Recommendation:** Review and approve the revised Internal Audit Charter and revised Audit Committee Charter.

E. INTERNAL AUDIT DOCUMENT RETENTION POLICY

**Recommendation:** Review and approve.

F. STATUS OF INTERNAL CONTROL ENHANCEMENT PROJECT

**Recommendation:** Receive and file.

C-4 [2012 AUDIT PLAN AND RISK ASSESSMENT](#)

**Recommendation:** Approve the 2012 Audit Plan.

C-5 [ADDITIONAL LIABILITY INFORMATION RESULTING FROM THE BOARD ACTION TO SHIFT PAYMENT OF EMPLOYEE CONTRIBUTIONS AND INCREASE SALARIES OF OCERS DIRECT EMPLOYED EMPLOYEES](#)

**Recommendation:** Receive and file.

C-6 [UNAUDITED FINANCIAL STATEMENTS FOR THE MONTH ENDING OCTOBER 31, 2011](#)

**Recommendation:** Receive and file.

C-7 [FOURTH QUARTER 2010 EDUCATION AND TRAINING REPORT](#)

**Recommendation:** Receive and file.

C-8 [OPTION 4 RETIREMENT ELECTION – JOE F. GARCIA](#)

**Recommendation:** Grant election of retirement benefit payment, Option 4, based on The Segal Company's actuarial report.

C-9 [AUTHORIZATION FOR TRAVEL](#)

**Recommendation:** Approve Tony Bedolla's and Reed Royalty's request to attend NEPC, LLC 2012 Public Funds Workshop and travel expenses.

C-10 [2011 – YEAR IN REVIEW: COMMUNICATION PLAN](#)

**Recommendation:** Receive and file.

C-11 [2011 DISABILITY STATISTICS REPORT](#)

**Recommendation:** Receive and file

C-12 [2011 FORM 700 DESIGNATED FILERS LIST AND FACT SHEET](#)

**Recommendation:** Receive and file.

C-13 [COMMUNICATION POLICY FACT SHEET](#)

**Recommendation:** Receive and file.

C-14 [BOARD COMMUNICATIONS](#)

**Recommendation:** Receive and file.

C-15 TITLE CHANGE FOR INTERNAL AUDITOR

**Recommendation:** Approve title change for Internal Auditor to Director of Internal Audit.

\*\*\*\*\* END OF CONSENT AGENDA \*\*\*\*\*

**INDIVIDUAL ITEMS AGENDA**

I-1 INDIVIDUAL ACTION ON ANY ITEM TRAILED FROM THE CONSENT AGENDA

I-2 TRANSITION TO NEW CHAIR/ELECTION OF VICE CHAIR

**Recommendation:** Take appropriate action.

I-3 MANAGING DIRECTOR OF INVESTMENTS REPORT

*Postponed until the Investment Committee Meeting on Wednesday, January 25, 2012*

I-4 2012 MARKET OUTLOOK

*Presentation by Tom Fahey, Loomis, Sayles & Company*

**Recommendation:** Receive and file.

I-5 2010 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

*Presentation by Brenda Shott*

**Recommendation:** Receive and file.

I-6 OCERS INNOVATIONS IN 2011

*Presentation by Steve Delaney*

**Recommendation:** Receive and file.

I-7 BOARD PERFORMANCE REVIEW

*Presentation by Russell Baldwin*

**Recommendation:** Receive and file.

I-8 CLIFTON GUNDERSON IMPLEMENTATION PLAN

*Presentation by Dawn Matsuo*

**Recommendation:** Receive and file.

**\*\*\*\*\* END OF INDIVIDUAL ITEMS AGENDA \*\*\*\*\***

**1. CLOSED SESSION**

**E-1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957**

Position to be evaluated: Managing Director of Investments

**Recommendation:** Take appropriate action.

**E-2 CONFERENCE WITH LEGAL COUNSEL REGARDING SIGNIFICANT EXPOSURE TO LITIGATION INITIATED AGAINST ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM (GOVERNMENT CODE SECTION 54956.9 (a))**

Adjourn pursuant to subdivision (a) of Government Code Section 54956.9 (one case: Williamson v. Orange County Employees Retirement System)

**Recommendation:** Take appropriate action.

**DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA**

**1:00 p.m.**

**NOTE: WHEN CONSIDERING DISABILITY RETIREMENT APPLICATIONS, THE BOARD MAY FIND IT NECESSARY TO DISCUSS MATTERS RELATING TO THE EVALUATION OF THE WORK PERFORMANCE OF AN EMPLOYEE WHO HAS APPLIED FOR DISABILITY RETIREMENT, OR DISCUSS COMPLAINTS OR CHARGES MADE AGAINST SUCH EMPLOYEE. IF THIS OCCURS, THE BOARD MAY ADJOURN TO A CLOSED SESSION TO DISCUSS SUCH MATTERS PURSUANT TO GOVERNMENT CODE SECTION 54957, UNLESS THE EMPLOYEE REQUESTS THAT THE DISCUSSION BE IN PUBLIC.**

**STAFF RECOMMENDATION IS TO GRANT NON-SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF DECEMBER 1, 2010 AND DENY SERVICE CONNECTED DISABILITY RETIREMENT DUE TO INSUFFICIENT EVIDENCE OF JOB CAUSATION. (GENERAL MEMBER) (D-1)**

**D-1: Jose T. Fonseca**  
Coach Operator, OC Transportation Authority  
Application for service and non-service connected disability retirement

**STAFF RECOMMENDATION IS TO GRANT NON-SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF MARCH 31, 2011 AND DENY SERVICE CONNECTED DISABILITY RETIREMENT DUE TO INSUFFICIENT EVIDENCE OF JOB CAUSATION. (SAFETY MEMBER) (D-2)**

**D-2: Robin J. Jaeger**  
Sergeant, OC Sheriff's Department  
Application for service and non-service connected disability retirement:

**STAFF RECOMMENDATION IS TO GRANT NON-SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF DECEMBER 7, 2010. (GENERAL MEMBER) (D-3)**

**D-3: Brian P. Keogh**  
Coach Operator, OC Transportation Authority  
Application for non-service connected disability retirement

**STAFF RECOMMENDATION IS TO GRANT SERVICE CONNECTED DISABILITY RETIREMENT WITH AN EFFECTIVE DATE OF MARCH 25, 2011. (SAFETY MEMBER) (D-4)**

**D-4: John C. Luderman**  
Deputy Sheriff II, OC Sheriff's Department  
Application for service connected disability retirement

**STAFF RECOMMENDATION IS TO DENY SERVICE AND NON-SERVICE CONNECTED DISABILITY RETIREMENT FOR CONDITIONS #1 AND #2 DUE TO INSUFFICIENT EVIDENCE OF PERMANENT INCAPACITY AND JOB CAUSATION. (GENERAL MEMBER) (D-5)**

**D-5: Lori A. Delgado**  
Office Specialist, OC Sheriff's Department  
Application for service and non-service connected disability retirement

**STAFF RECOMMENDATION IS TO ADOPT THE FINDINGS AND RECOMMENDATIONS OF THE REFEREE AND DENY APPLICANT'S APPLICATION FOR SERVICE CONNECTED DISABILITY RETIREMENT. (SAFETY MEMBER) (D-6)**

**D-6: Scott R. Nelson**  
Fire Captain, OC Fire Authority  
Application for service connected disability retirement

**STAFF RECOMMENDATION IS TO ADOPT THE FINDINGS AND RECOMMENDATIONS OF THE REFEREE AND DENY APPLICANT'S APPLICATION FOR SERVICE CONNECTED DISABILITY RETIREMENT. (SAFETY MEMBER) (D-7)**

**D-7: Dean T. Rist**

Fire Captain, OC Fire Authority  
Application for service connected disability retirement

**\*\*\*\*\* END OF DISABILITY APPLICATIONS/MEMBER APPEALS AGENDA \*\*\*\*\***

**PUBLIC COMMENTS:** At this time members of the public may address the Board of Retirement regarding any items within the subject matter jurisdiction of the Board, provided that no action may be taken on non-agendized items unless authorized by law.

**BOARD MEMBER COMMENTS**

**CHIEF EXECUTIVE OFFICER/STAFF COMMENTS**

**COUNSEL COMMENTS**

**ADJOURNMENT: (IN MEMORY OF THE ACTIVE MEMBERS, RETIRED MEMBERS, AND SURVIVING SPOUSES WHO PASSED AWAY THIS PAST MONTH)**

**NOTICE OF NEXT MEETING**  
**INVESTMENT COMMITTEE MEETING**  
**JANUARY 25, 2012**  
**9:00 a.m.**  
**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**  
**2223 E. WELLINGTON AVENUE, SUITE 100**  
**SANTA ANA, CA 92701**

**GOVERNANCE COMMITTEE MEETING**  
**JANUARY 27, 2012**  
**10:00 a.m.**  
**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**  
**2223 E. WELLINGTON AVENUE, SUITE 100**  
**SANTA ANA, CA 92701**

**REGULAR BOARD MEETING**  
**FEBRUARY 21, 2012**  
**9:00 a.m.**  
**ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM**  
**2223 E. WELLINGTON AVENUE, SUITE 100**  
**SANTA ANA, CA 92701**

*All supporting documentation is available for public review in the retirement office during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Thursday and 8:00 a.m. – 4:30 p.m. on Friday.*

It is OCERS' intention to comply with the Americans with Disabilities Act ("ADA") in all respects. If, as an attendee or participant at this meeting, you will need any special assistance beyond that normally provided, OCERS will attempt to accommodate your needs in a reasonable manner. Please contact the Board Secretary, Tracy Ayres at 714-569-4818 as soon as possible prior to the meeting to tell us about

your needs and to determine if accommodation is feasible. We would appreciate at least 48 hours notice, if possible. Please also advise us if you plan to attend meetings on a regular basis.