



Donald C. Kendig, CPA
Retirement Administrator

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Steven J. Jolly, Chair
Dr. Rod Coburn, III, Vice Chair
Laura P. Basua
Greg Baxter
Alan Cade, Jr.
Robert Dowell
Oscar J. Garcia
Eulalio Gomez
Mary Ann Rogozinski, Alternate

DATE: October 19, 2016

TO: Board of Retirement

FROM: Donald C. Kendig, CPA
Retirement Administrator

SUBJECT: Consideration of the Council of Institutional Investors (CII) Membership Review and Renewal – RECEIVE AND FILE; APPROPRIATE ACTION

Recommended Action

Continue CII membership and add the CII semi-annual conferences to the pre-approved travel list in FCERA's proposed Education and Travel Policy.

Fiscal and Financial Impacts

The financial impact continuing CII membership would be just over \$5,000 in dues annually, and an additional \$2,000 to \$10,000 in travel costs if the CII semiannual conferences are added to the Proposed Education and Travel Policy as pre-approved, and depending on attendance. The fiscal (operational) impact would include similar business involvement comparable to SACRS with taking positions on various CII activities and voting for CII board directors.

Discussion

Trustee Gomez and I attended the CII Spring conference in late March of 2016, and trustees Basua, Baxter, Dowell, and Rogozinski attended the CII Fall conference in late September. From staff's perspective, CII offers quality investment related education, similar to that of CALAPRS and SACRS and focuses on Corporate Governance related subjects, not as extensively discussed by CALAPRS and SACRS. Staff believes that it would be complimentary, as opposed to duplicative. Further, the affiliates that attend CII have only about a 50% correlation meaning different affiliates attend CII, which allows for expanded networking in the industry of money management, accounting, and securities litigation services, among many other corollary service providers that we would not encounter at either CALAPRS or SACRS. Lastly, Santa Barbara CERS and Marin CERA, list CII as pre-approved. Staff sampled a handful of plans whose Ed. policies were easy to locate on the www.

Staff welcomes the input of the attending trustees, whether in support of or opposed to staff's recommendation, so the Board can make an informed decision about membership and preapproval.

Council of Institutional Investors (CII) Membership Review and Renewal

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Attachment(s)

1. CII Summary Page
2. CII Member Summary Page
3. CII Member List

Background

On October 21, 2015 the Board joined CII for a preliminary year (calendar year 2016) and set the next Board Educational Offsite as the time to revisit membership, prior to renewal, and to send a minimum of three unique trustees to the semiannual conferences for a good assessment as to whether or not membership should be continued and CII should be added to the pre-approved list.

CII is the premier international non-profit organization representing the voice of corporate governance, supporting effective corporate governance practices and strong shareowner rights. A single page write-up is attached. Staff finds that the topics covered by CII cover corporate governance, which also provides education on leading governance practices that can be applied to FCERA, fiduciary responsibilities, and investment ethics. Members are truly international and FCERA would be exposed to global opinions and best practices on the topics presented.

FCERA is considered a general member (information sheet attached). Membership dues are similar to CALAPRS and SACRS single organizational membership dues (as opposed to individual), except there is no charge for conference attendance. Membership is just over \$5,000. By comparison, CALAPRS is \$2,000 a year with attendance fees of \$150 and above depending on the event, and SACRS is \$4,000 a year with attendance fees of \$120 per attendee per conference. CII has an Associate Member class for a variety of other organizations. CII has approximately 150 Associate Member organizations and approximately 125 General Member organizations. (2015 membership list attached, FCERA added.)

Recognizable public fund peers include:

- Alameda County Employees' Retirement Association
- California Public Employees' Retirement System
- California State Teachers' Retirement System
- Contra Costa County Employees' Retirement Association
- Los Angeles City Employees' Retirement System
- Los Angeles County Employees Retirement Association
- Marin County Employees' Retirement Association
- Orange County Employees Retirement System
- Sacramento County Employees' Retirement System
- San Francisco City and County Employees' Retirement System
- Santa Barbara County Employees' Retirement System
- Sonoma County Employees Retirement Association

CII generally has two conferences a year and they are timed around April and September.



Council of Institutional Investors
The Voice of Corporate Governance

CII – WE HOPE YOU JOIN US

ABOUT CII:

- CII is the premier international non-profit organization representing the voice of corporate governance, supporting effective corporate governance practices and strong shareholder rights.
- Unlike many associations that only host meetings, adopt policies and send newsletters, CII is a second staff to our members. We provide expertise members might otherwise have to purchase from consultants, lawyers and others. We think of ourselves as an investment 911: When members call wanting something, we have it or find it.

EXCLUSIVE MEMBER-ONLY BENEFITS INCLUDE:

Your dues cover everything with no additional meeting attendance fees or charges for publications

Education — Stay “In the Know”

- Receive a weekly e-newsletter and weekly compilation of newsclips highlighting the hottest developments and trends
- Participate in 2-4 webinars and teleconferences monthly featuring top experts
- Access a library of plain-English reference guides covering what you need to know about corporate governance

Networking — Interact with Top Staff of Major U.S. Institutional Investors

- Enjoy complimentary attendance to CII fall and spring conferences – the best networking opportunities in the pension business with 400+ attendees
- Benefit from opportunities to host or speak at exclusive CII events and teleconferences
- Obtain full access to CII’s comprehensive member directory and members-only online discussion forums

Advocacy — Gain from CII’s Reputation as the Leading Advocate for Institutional Investors

- Leverage your voice through CII’s testimony and prompt comment letters on pending legislation and regulation
- Participate in CII-led or member coalition efforts at specific companies and learn about members’ advocacy efforts
- Benefit from CII representation on a range of key committees at the SEC, the stock exchanges and other regulators

To join or for more information, contact Bethany Murphy at 202.822.0800 or email bethany@cii.org

Who is CII?

The Council of Institutional Investors is a nonprofit association of employee benefit funds, foundations and endowments with combined assets that exceed \$3 trillion. We are a leading voice for effective corporate governance and strong shareowner rights.

What is a General Member?

Employee benefit plans, state or local agencies charged with investing public fund assets and charitable tax-exempt foundations may join CII as General Members. Funds, not their employees, are considered CII members. Voting members are entitled to one vote per fund.

Each General Member belongs to one of four constituencies –public, corporate, labor or endowment/other. Public, corporate and labor constituency members elect CII's Board of Directors.

What are the benefits of membership?

Membership dues are all-inclusive. At no additional cost General Members are entitled to:

- Register an unlimited number of attendees to attend CII's semi-annual spring and fall conferences.
- Receive the weekly Governance Alert newsletter
- Access a library of plain-English guides on the nuts and bolts of governance basics
- Participate in CII hosted teleconferences on topical issues
- Get the scoop on CII analyses, comment letters and testimony on issues that have significant implications for investors.
- Shape governance policies at portfolio companies by shaping CII policies and participating in Council-led engagements with specific U.S. public companies.

What does it cost?

Membership dues are calculated annually, using a formula of \$1.30 per million of asset Under management with a floor of \$5,000 and a ceiling of \$30,000 in annual dues.

EXAMPLE: Assets under management are \$11,854,000,000. Calculation: 11,854 x 1.3 or \$15,410.20/year. If you need help calculating dues, just give us a call at 202.822.0800 or email at Bethany@cii.org.

Council of Institutional Investors
888 17th Street, NW, Suite 500
Washington, DC 20006
202.822.0800
www.cii.org

Member Name	Member Type
AFL-CIO	General Member
AFSCME Employees Pension Plan	General Member
Alameda County Employees' Retirement Association	General Member
Alcoa	General Member
Allergan	General Member
Allstate Corporation	General Member
American Federation of Teachers Pension Plan	General Member
Amgen	General Member
Arkansas Public Employees Retirement System	General Member
Assurant Pension Plan	General Member
Axiall Corporation	General Member
Building Trades United Pension Trust Fund - Milwaukee and Vicinity	General Member
California Public Employees' Retirement System	General Member
California State Teachers' Retirement System	General Member
Campbells Soup	General Member
Casey Family Programs	General Member
Central Laborers' Pension Fund	General Member
Central Pension Fund of the International Union of Operating Engineers	General Member
CERES	General Member
Chevron Master Pension Trust	General Member
Chicago Teachers Pension Fund	General Member
Coca-Cola Retirement Plan	General Member
Colgate-Palmolive Employees' Retirement Income Plan	General Member
Communications Workers of America	General Member
Connecticut Retirement Plans and Trust Funds	General Member
Contra Costa County Employees' Retirement Association	General Member
Danaher Retirement & Savings Plan	General Member
Darden Savings Plan	General Member
Delaware Public Employees' Retirement System	General Member
District of Columbia Retirement Board	General Member
Edison International	General Member
Educational Employees' Supplementary Retirement System of Fairfax County	General Member
EMC	General Member
Employees Retirement System of Rhode Island	General Member
Employees Retirement System of Texas	General Member
Equifax	General Member
Fire & Police Pension Association of Colorado	General Member
Florida State Board of Administration	General Member
Freeport-McMoRan	General Member
Fresno County Employees' Retirement Association	General Member
Gap	General Member
General Mills	General Member
Gilead Sciences, Inc.	General Member
Hartford Municipal Employees Retirement Fund	General Member
Hess Corporation	General Member
IAM National Pension Fund	General Member

Member Name	Member Type
Intel Corporation	General Member
International Brotherhood of Electrical Workers' Pension Benefit Fund	General Member
International Union of Bricklayers & Allied Craftworkers	General Member
Iowa Public Employees' Retirement System	General Member
IUE-CWA Pension Fund	General Member
Jacksonville Police & Fire Pension Fund	General Member
Johnson & Johnson	General Member
Laborers National Pension Fund	General Member
Lens Foundation for Corporate Excellence	General Member
LifePoint Hospitals Retirement Plan	General Member
Limited Brands	General Member
LIUNA Staff and Affiliates Pension Fund	General Member
Los Angeles City Employees' Retirement System	General Member
Los Angeles County Employees Retirement Association	General Member
Maine Public Employees Retirement System	General Member
Marin County Employees' Retirement Association	General Member
Maritime Super	General Member
Maryland State Retirement and Pension System	General Member
Massachusetts Laborers' Health and Welfare Fund	General Member
Massachusetts Pension Reserves Investment Management Board	General Member
McDonald's Profit Sharing & Savings Plan	General Member
McKesson Corporation	General Member
Merck	General Member
Microsoft Corporation Savings Plus 401(k) Plan	General Member
Milwaukee Employees' Retirement System	General Member
Minnesota State Board of Investment	General Member
Missouri State Employees' Retirement System	General Member
Mondelez International	General Member
Montgomery County Employees' Retirement System	General Member
Nathan Cummings Foundation	General Member
National Education Association Employee Retirement Plan	General Member
Navy-Marine Corps Relief Society	General Member
New Hampshire Retirement System	General Member
New York City Employees' Retirement System	General Member
New York City Pension Funds	General Member
New York State Common Retirement Fund	General Member
New York State Teachers' Retirement System	General Member
Norfolk Southern Corp.	General Member
North Carolina Retirement Systems	General Member
Ohio Police & Fire Pension Fund	General Member
Ohio Public Employees Retirement System	General Member
Orange County Employees Retirement System	General Member
Oregon Public Employee Retirement System	General Member
Pennsylvania Public School Employees' Retirement System	General Member
Pennsylvania State Employees' Retirement System	General Member
PepsiCo US Pension Plan	General Member

Member Name	Member Type
Pfizer Retirement Annuity Plan	General Member
Plumbers & Pipefitters National Pension Fund	General Member
Portico Benefit Services	General Member
Prudential Employee Savings Plan	General Member
Public Employee Retirement System of Idaho	General Member
Public Employees' Retirement Association of Colorado	General Member
Sacramento County Employees' Retirement System	General Member
San Francisco City and County Employees' Retirement System	General Member
Santa Barbara County Employees' Retirement System	General Member
School Employees Retirement System of Ohio	General Member
Seattle City Employees' Retirement System	General Member
SEIU Affiliates' Supplemental Retirement Savings Plan	General Member
SEIU Pension Fund	General Member
Silberstein Foundation	General Member
Sonoma County Employees Retirement Association	General Member
State of Wisconsin Investment Board	General Member
State Teachers Retirement System of Ohio	General Member
State Universities Retirement System of Illinois	General Member
Target	General Member
Teachers' Retirement System of the State of Illinois	General Member
Teamster Affiliates Pension Plan	General Member
Time Inc.	General Member
UAW Retiree Medical Benefits Trust	General Member
UAW Staff Retirement Income Plan	General Member
UNITE HERE!	General Member
United Brotherhood of Carpenters, Local Unions & Councils Pension Fund	General Member
United Food and Commercial Workers International Union Staff Trust Fund	General Member
UnitedHealth Group	General Member
Vermont Pension Investment Committee	General Member
Walgreens Co.	General Member
Walt Disney 401(k) Pension Plan	General Member
Washington State Investment Board	General Member
Wespath Investment Management	General Member
West Virginia Investment Management Board	General Member
57 Stars	Associate Member
Aberdeen Asset Management	Associate Member
AllianceBernstein	Associate Member
Amalgamated Bank LongView Funds	Associate Member
Angelo, Gordon	Associate Member
APG Asset Management	Associate Member
Australian Council of Superannuation Investors	Associate Member
AXA Investment Managers	Associate Member
Baillie Gifford	Associate Member
Bain Capital	Associate Member
Baring Asset Management	Associate Member

Member Name	Member Type
Battea Class Action Services	Associate Member
Berman DeValerio	Associate Member
Bernstein Liebhard	Associate Member
Bernstein, Litowitz, Berger & Grossmann	Associate Member
BlackRock	Associate Member
Blue Harbour Group	Associate Member
BMO Asset Management Corp.	Associate Member
BMO Global Asset Management EMEA	Associate Member
BNY Mellon	Associate Member
Brennan, Manna & Diamond	Associate Member
Broadridge Financial Solutions	Associate Member
Calvert Investments	Associate Member
CamberView Partners	Associate Member
Canada Pension Plan Investment Board	Associate Member
Canadian Coalition for Good Governance	Associate Member
Capital Group Companies	Associate Member
Capri Capital Partners	Associate Member
Cartica Management	Associate Member
Center for Audit Quality	Associate Member
Cevian Capital	Associate Member
Charles Schwab Investment Management	Associate Member
Cohen Milstein Sellers & Toll	Associate Member
Corporate Resolutions Inc.	Associate Member
Credit Suisse Securities	Associate Member
Deloitte & Touche	Associate Member
Deminor	Associate Member
Dimensional Fund Advisors	Associate Member
Dividex Management	Associate Member
Dupont	Associate Member
Eachwin Capital	Associate Member
Egan-Jones Proxy Services	Associate Member
EnTrust Securities	Associate Member
Entwistle & Cappucci	Associate Member
Ernst & Young	Associate Member
Fariant Advisors	Associate Member
Financial Recovery Technologies	Associate Member
FTI Consulting	Associate Member
GCM Grosvenor	Associate Member
Georgeson	Associate Member
Glass Lewis	Associate Member
Global Governance Advisors	Associate Member
Global Governance Consulting	Associate Member
GO Investment Partners	Associate Member
Goldman Sachs Asset Management	Associate Member
Goldman Sachs Investor Relations	Associate Member
Grais & Ellsworth	Associate Member

Member Name	Member Type
Grant & Eisenhofer	Associate Member
Grant Thornton	Associate Member
Guggenheim Investments	Associate Member
Hagens Berman Sobol Shapiro	Associate Member
Hermes Equity Ownership Services	Associate Member
Holland Capital Management	Associate Member
Hugessen Consulting	Associate Member
IFM Investors	Associate Member
iiWisdom	Associate Member
Innisfree M&A Incorporated	Associate Member
IR Japan	Associate Member
ISS	Associate Member
Jana Partners	Associate Member
JPMorgan Chase	Associate Member
Kaplan Fox & Kilsheimer	Associate Member
Kessler Topaz Meltzer & Check	Associate Member
Knight Vinke Services II Ltd.	Associate Member
KPMG	Associate Member
Kroll Bond Rating Agency	Associate Member
Labaton Sucharow	Associate Member
Landmark Partners	Associate Member
Landon Butler	Associate Member
Lawndale Capital Management	Associate Member
Lazard Asset Management	Associate Member
Legal & General Investment Management	Associate Member
Legion Partners Asset Management	Associate Member
Lieff, Cabraser, Heimann & Bernstein	Associate Member
Loomis, Sayles	Associate Member
Lord Abbett	Associate Member
MacKenzie Partners	Associate Member
Man Investments	Associate Member
Manulife Asset Management	Associate Member
Marco Consulting Group	Associate Member
Milberg	Associate Member
MoloLamken	Associate Member
Morrow	Associate Member
MSCI Inc	Associate Member
Nestle SA	Associate Member
Neuberger Berman	Associate Member
New Mountain Capital Group	Associate Member
Norges Bank	Associate Member
North America's Building Trades Union	Associate Member
Occidental Petroleum	Associate Member
Ontario Teachers' Pension Plan Board	Associate Member
Orchard Global Asset Management (S) Pte. Ltd.	Associate Member
Pegasus Capital Advisors	Associate Member

Member Name	Member Type
Pension Consulting Alliance	Associate Member
Pensions & Investment Research Consultants	Associate Member
Pershing Square Capital Management	Associate Member
PGGM Investments	Associate Member
Pomerantz LLP	Associate Member
PricewaterhouseCoopers	Associate Member
Progress Investment Management	Associate Member
Proxy Mosaic	Associate Member
Prudential Investment Management	Associate Member
Putnam Investments	Associate Member
Pyramis Global Advisors	Associate Member
Railways Pension Trustee Company	Associate Member
RBC Global Asset Management	Associate Member
Red Mountain Capital Partners	Associate Member
Regions Financial Corporation	Associate Member
Reinhart Boerner Van Deuren	Associate Member
Robbins Geller Rudman & Dowd	Associate Member
RobecoSAM	Associate Member
Robins Kaplan LLP	Associate Member
Robinson, Bradshaw & Hinson	Associate Member
Rock Creek Group	Associate Member
RR Donnelley Global Capital Markets	Associate Member
Sard Verbinnen & Co	Associate Member
Spector, Roseman, Kodroff & Willis	Associate Member
Standard & Poor's	Associate Member
Standard Life Investments	Associate Member
State Street Bank & Trust Company	Associate Member
State Street Global Advisors	Associate Member
Stone Harbor Investment Partners	Associate Member
Studio Legale Trevisan & Associati	Associate Member
Sullivan & Cromwell LLP	Associate Member
Sumitomo Mitsui Trust Bank Limited	Associate Member
Sustainalytics BV	Associate Member
T. Rowe Price	Associate Member
The Board Director Training Institute of Japan	Associate Member
The Hartford Financial Services Group	Associate Member
The TCW Group	Associate Member
TIAA-CREF	Associate Member
Top Tier Capital Partners	Associate Member
TorreyCove Capital Partners	Associate Member
Trian Fund Management	Associate Member
UBS Global Asset Management (Americas)	Associate Member
USS Investment Management Limited	Associate Member
ValueAct Capital Management, LP	Associate Member
Vigeo	Associate Member
Virginia Retirement System	Associate Member

Member Name**Member Type**

Voce Capital

Associate Member

Voya Investment Management

Associate Member

Weil, Gotshal & Manges

Associate Member

Wolf Haldenstein Adler Freeman & Herz

Associate Member