



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 13

MEETING DATE: May 19, 2021

SUBJECT: Investment Counsel Legal Services Contract

SUBMITTED FOR: ___ Consent X Deliberation and Action ___ Receive and File

RECOMMENDATION

Staff recommends the Board approve a new three-year contract with investment counsel Foley & Lardner LLP in an amount not to exceed \$700,000 and authorize the Chief Executive Officer to execute any necessary documents.

PURPOSE

This item supports the Strategic Management Plan goals to ensure effective oversight of the investment program and manage risk.

DISCUSSION

Foley & Lardner is SCERS' long-time investment counsel, providing legal services in connection with SCERS' alternative asset investment transactions and relationships. Most significantly, Foley represents SCERS in negotiations with general partners and fund managers when entering into limited partnership agreements and commingled fund investments.

SCERS last entered into formal written agreement with Foley in June 2011. Since that time, SCERS and Foley have had a successful working relationship, with fees often negotiated on a project-by-project basis. Typically, SCERS and Foley reach an agreement on a not-to-exceed fee limit at the outset of each project, such that SCERS would not bear the risk of an open-ended hourly fee arrangement.

Because staff remains satisfied with Foley's services, and because alternative assets will continue to play a crucial role in SCERS' investment portfolio, staff anticipates a continued need for Foley's services in years ahead. Pursuant to SCERS' goal of having all of its vendors under formal fixed term contracts, Staff recommends that the Board approve a new contract with Foley to run from August 1, 2021 through July 31, 2024.

Staff further recommends that the new contract carry a not-to-exceed value of \$700,000. That budget is based on historical expenditures for Foley's services over the last three years.

These anticipated costs are consistent with previous expenditures and have already been incorporated into the Board-approved SCERS budget for fiscal year 2021-22.

Prepared by:

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Chief Executive Officer