



Lehigh County Retirement Board Meeting

PUBLIC MEETING

MINUTES

February 7, 2023

1. CALL TO ORDER: 9:30 AM

ATTENDEES:

Lehigh County Executive Phillips Armstrong (**Chairman**)
Director of Administration, Ed Hozza (**Executive Appointee**)
Commissioner, Geoff Brace (**President Board of Commissioners**)
Commissioner, Bob Elbich (**Commissioner Appointee**) ABSENT
Lehigh County Controller Mark Pinsley (**Secretary**) ABSENT
Joseph Reichard (**Retiree Representative**)
Fiscal Director, Tim Reeves (**Employee Representative**)
Chris Lakatosh, Principal & Senior Consultant Cornerstone

2. OLD BUSINESS

Approval of Old Minutes

Lehigh County Executive Phillips Armstrong asked for a motion to approve the meeting minutes from November 15, 2022 and January 24, 2023. Director of Administration, Ed Hozza made the first motion and Retiree Representative Joseph Reichard seconded it.

3. NEW BUSINESS

Pension Fund Update

Chris Lakatosh provided an update on the pension fund. Mr. Lakatosh noted it was a difficult 4th quarter from a market perspective and it continues to be year-to-date. However, we fared well relative to the market in the 4th quarter of 2022. The last quarter pension return was +7.11%, Benchmark to that return was up about 6.8% relative to our peer group. That placed us in the 90th percentile relative to other pension plans in the public sector for the fourth quarter. The year-to-date return number was down 13%. That leaves us in the top 40th percentile relative to our peer groups in terms of municipal pension plans.

Asset Allocation

Our Investment Policy Statement compared to the target weight shows few deviations. We were able to raise some money in the 4th quarter, enabling us to replenish some cash in anticipation of the future volatility of the economy. Funds were raised in the areas of domestic equities, international equities, and alternative investments.

Historical Cashflow

Since inception, there has been \$160 million in contributions, \$315 million in withdrawals or benefit payments, and income of \$127 million. That results in a change in market value of \$243 million.

Manager Performance

Manager performance was a mixed bag. We had some underperformers, we had some overperformers, but we see more optimism in terms of having a softer landing in the current economy.

January Performance

Our portfolio is up about 5.2% as of January 31, 2023, so we have seen a bit of a rebound while the economy is still strong. The current cash value of the pension fund as of February 6, 2023 was \$571 million, compared to a value of \$547 million at the end of 2022.

4. Citizen's Input

There was no citizen's input.

5. Adjourn

The meeting was adjourned.