



Lehigh County Retirement Board Meeting

PUBLIC MEETING

MINUTES

November 14, 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**) **absent**
Commissioner, Bob Elbich (**Commissioner Appointee**)
Lehigh County Controller Mark Pinsley (**Secretary**) **absent**
Joseph Reichard (**Retiree Representative**)
Chief Fiscal Officer, Tim Reeves (**Employee Representative**)
Chris Lakatos, Principal and 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 August 8, 2023. Motion was made by Tim Reeves and seconded by Joseph Reichard. Minutes approved by majority vote- Bob Elbich and Ed Hozza abstained from voting on the minutes due to not being present at the last meeting.

3. NEW BUSINESS

Pension Fund Update

It's been a challenging year in terms of volatility. The first three months of 2023 were strong, but the last couple of months have been a struggle. The S&P 500 is (8.25%) for the quarter ending

September 30th, but the year-to-date percentage is still up 10.69%. This trend is consistent throughout the fund. Technology continues to drive 80% of returns, with the rest of the market being flat.

Asset Allocation

With quarter ending September 30th, our IPS target weights remain at 42% domestic equity, 18% international equity, 20% domestic fixed income, 15% alternative and 5% cash and equivalents. Our highest deviation from target weights is (1.2%) alternative stocks, which is very near target. All other investments show near zero deviation from target.

Historical Cashflow

Withdrawals since inception have been \$343,881,000. Contributions since inception have been \$159,696,000. The change in market value since inception is \$255,154,000.

Manager Performance

We are diversified between U.S. and international stocks, bonds, and alternative investments. Some underperform, some overperform, but what we are seeing is typical and relative to the current market.

October Performance

Total returns for October are (2.56%). It's been a challenged market for 2023 on the heels of a challenged market for 2022. Total portfolio year to date returns are 1.32%, with benchmark of 2.22% giving us an ending market value of \$524,025,040 as of October 31st.

4. Motions

Cost of Living Increase

COLA discussion took place today per Act 96 (formal vote every three years). Per policy, a cost-of-living increase will not be considered until the plan reaches a funding status of 100% or more. The current funding status is 83.2%. As such, it was recommended that no cost-of-living increase be made. Motion was made by Tim Reeves and seconded by Ed Hozza. Vote was passed in favor of no cost-of-living increase, with Joseph Reichard voting opposed to the motion.

2024 Meeting Dates

Motion to approve 2024 meeting dates was made by Ed Hozza, seconded by Tim Reeves, and approved unanimously. 2024 meeting dates are as follows, at 9:30 am on each date:

January 6th, February 6th, May 7th, August 6th, November 12th

5. Citizen's Input

It was requested that the current handouts related to the retirement fund be shared prior to the meetings via email, rather than handing them out at the meeting. It was agreed that this is something that can be done going forward.

6. Adjourn

Motion to adjourn was made by Bob Elbich and seconded by Joseph Reichard. Meeting adjourned.