1. Retirement Board Composition

1.1. The Board composition of seven members is defined by the Home Rule Charter, Section 606 and are as follows:

1.1.1. County Executive

1.1.2. Board of Commissioners (BOC) Chair

1.1.3. Board of Commissioners Member-appointed by BOC

1.1.4. County Controller

1.1.5. Retirement System Member- appointed by the County Executive

1.1.6. Retirement System Member current employee– elected by Membership

1.1.7. Retirement System Member receiving benefits – elected by Membership

1.2. Elected officials serving on the Board shall begin their term of service at the first Board meeting after the election of the official and shall remain as members during their four year term of office.

1.3. Appointed Commissioner shall begin their term of service at the first Board meeting after appointment by the BOC and serve until a new Commissioner is appointed by the BOC.

1.4. Appointed Retirement System Member shall begin their term of service at the first Board meeting after appointment and serve for four years from the date of appointment by the County Executive or until a new appointment is made by the County Executive, whichever comes first.

1.5. The oath of office shall be administered to each Board member at the first Board meeting after their election or appointment and the Controller shall retain a copy of their signed oath statement.

1.6. A list of the current Board members, appointment/election dates, and terms shall be placed on the County website, Controller page and shall be updated after a new member is administered the oath of office.

2. Elected Members

2.1. Elections shall occur in the same year that the county executive is elected and the election date shall be the first Monday in December.

2.2. A vacancy in the position of an elected member 270 days or less prior to a new election shall not be filled.

2.3. A vacancy in the position of an elected member prior to 270 days before a new election shall immediately initiate the process for a replacement election per the standard election procedure.

2.4. Elected Member qualifications
2.4.1. Retiree member shall have left Lehigh County in good standing with no legal actions having been filed against the County, be free of felony convictions, and not currently nor in the past five years served on a Board of Directors, employed by or consulted for any of the Lehigh County Retirement Fund Consultants, Custodians, or Fund Managers.

2.4.2. Employee member shall be an employee in non-probationary status in good standing with no current performance review/corrective actions nor legal actions having been filed against the County, be free of felony convictions, and not currently nor in the past five years served on a Board of Directors, employed by or consulted for any of the Lehigh County Retirement Fund Consultants, Custodians, or Fund Managers.

3. Election Procedure
3.1. HR department shall conduct all election actions
3.2. A notification of election memo accompanied by a self-nomination form shall be mailed postage prepaid to retiree pension fund/vested participants 60 days prior to the election date.
3.3. A notification of election memo accompanied by a self-nomination form shall be emailed to employee pension fund participants 60 days prior to the election date.
3.4. Interested candidates can complete the self-nomination forms and return them to the HR department no later than 45 days prior to the election date by close of business at 4:00 p.m. local time.
3.5. HR department shall date/time stamp form receipts.
3.6. Candidates may withdraw their name from the ballot within five days after the candidate filing date by notifying HR.
3.7. HR Director, Director of Administration, and the Solicitor shall validate candidate submissions against qualification requirements.
3.8. Ballot positions shall be in alphabetical order by surname.
3.9. The ballot shall be mailed postage prepaid to retiree pension fund/vested participants 30 days prior to the election date and will include the candidates’ names, their Lehigh County division of employment prior to retiring, copies of the nomination forms, and information to obtain the election results.
3.10. The ballot shall be emailed to employee pension fund participants 30 days prior to the election date and will include the candidates’ names, their Lehigh County division of employment prior to retiring, copies of the nomination forms, and information to obtain the election results.
3.11. The Ballot Page will include a line for signature/printed name and date and instructions for mail return.
3.12. Paper Ballots may be dropped off at the Lehigh County Government Center Human Resource Department.
3.13. All ballots shall be validated by the Human Capital Management (HCM) system.
3.14. Ballots shall be tabulated by a team of two HR employees who are not on the ballot and one auditor from the Controller’s office who is not on the ballot.
3.15. Prior to posting the results, HR will notify the candidates of the tabulation results and the candidates shall have the opportunity to review the ballots and results at the HR office.

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3.16. Election results will be distributed by email and posted on the county website.
3.17. HR shall obtain from Fiscal and IT departments the necessary retiree mailing list labels, pension participant list for retirees and employees, and the vested list and labels.

4. Board Meetings

4.1. The Board shall meet a minimum of four times per year plus a January meeting that shall have on the agenda only the following three items: to install new Board members as necessary, reorganize the Board officers (Chair and Secretary), and vote on a motion to establish the County contribution interest rate (see Administrative Policy 5.2)

4.2. Meeting Notifications

4.2.1. The calendar meeting dates for all five meetings shall be established at the final Board meeting of the year prior and posted on the Controller’s webpage of the County website prior to the first Board meeting of the year.

4.2.2. Notifications regarding the discussion and agenda for the Lehigh County Pension Board’s quarterly meetings and the organizational meeting shall be sent out by the Controller’s Office a minimum of 48 hours prior to the Pension Board’s official meeting. The agenda, public handouts, and minutes from the previous meeting will be distributed to the members of the retirement system and Board members. The following methods will be used to communicate (a) email to the email list maintained by the controller’s office (b) the County Website. (c) The representative for the Employees will send a notice out to all employees.

4.3. Following the close of a Board meeting, within two weeks the Secretary will issue draft meeting minutes to the board. The Board members will then have an opportunity to review the minutes and make any comments to the Secretary. If the Secretary receives any suggested changes or additions, the Secretary will make the changes or make note of the changes before issuing the final unapproved minutes to be voted on at the next meeting.

4.4. The minutes of the previous meeting once approved shall be uploaded to the Controller’s Page on the Lehigh County Government website. The Controller’s Page contains a section pursuant to the Retirement Board, all relevant information to the Board will be uploaded to this section.

4.5. Meeting Rules of Order

4.5.1. A majority of the members of the Board shall constitute a quorum for the transaction of any business.

4.5.2. All business of the Lehigh County Pension Board shall be conducted under Robert’s Rules of Order, current version as it relates to the rules of order and official business proceedings.

4.5.3. Special Meetings - In the event of a special meeting, the Controller’s Office shall provide notice of the date, time, and location of the meeting, in addition to pertinent meeting details, in the manner set forth in Section 4.2.2 at least two weeks prior to the meeting being held. Special meetings will adhere to all procedural guidelines which govern the conduct of regular meetings.

4.6. Document administration

4.6.1. The Secretary shall be responsible for the official transcription of all Lehigh County Pension Board meetings in the form of meeting minutes. The Controller’s
Office shall record all the Board meetings for official and accurate transcription. The recording shall be retained until the minutes are approved and posted.

4.6.2. Any approved motions of the Board that affect the Policies or Procedures of this Board shall be incorporated in this document by the Secretary immediately upon approval of the minutes documenting the changes and posted on the Controller’s webpage.

4.6.3. The Controller shall retain a digital copy of the Authorized Signers for the Custodian account.

5. Administrative Policies
5.1. All administrative Policies are subject to change by a majority vote at a Board meeting and changes shall be noted in this document as a dated revision.

5.2. The annual County contribution percentage to the retirement member contribution portion shall be established by motion of the Board at the January Board meeting and shall be within the statutory range of 4%-5.5% and shall be informed by the 20 year average fund return as provided by the investment consultant.

5.3. Actuarial policies approved by the Board August 20, 2020:
5.3.1. Utilize life expectancy calculations per Mortality Table Publication 10
5.3.2. Member deduction method: project the expected future member contributions and base it on the expected investment returns.
5.3.3. Assumed funds investment annual returns at 7.25%.
5.3.4. Unfunded accrued liability set amortized over 25 years

5.4. Should the Actuarial Analysis indicate that a County contribution of funds is not necessary for a particular year, the County shall still make a contribution to the fund for that year equal to or greater than 1/3 of the previous year’s membership contributions.

5.5. Cost Of Living Adjustments (COLA) to membership distributions may be addressed via a motion at any meeting but shall be reviewed at a minimum every three years beginning in 2023 and can be established by a majority vote at a Board Meeting only if the actuarial funded ratio is at or above 80% calculated after a COLA is applied.

5.6. The Board shall request that the BOC require that the contract for Actuarial services include a provision that the actuarial analysis determining the fiscal requirements for a COLA be provided to the County in sufficient time to be included in the next year’s budget as appropriate.

5.7. The Board shall proceed through the RFP process for new consultant, actuary, and custodian contracts at least every four years. The consultant and actuary RFPs shall be issued in odd numbered years and the custodian RFP shall be issued in even numbered years. The term of the contracts for consultant, actuary, and custodian shall not exceed four years.

5.8. The Board shall review the proposals submitted in response to the RFPs for consultant, actuary, and custodian and shall choose the consultant, actuary, and custodian by majority vote of the Board. The contracts for consultant, actuary, and custodian must be presented to and approved by the BOC.

5.9. The Board shall review and recommend all purchases of unpaid leave time (up to a total of six (6) months service time) for unpaid leaves of absence which were authorized by law or approved under County policy in accordance with Ordinance 2014-120 to confirm that such purchases meet the requirements set forth therein.
5.10. When fiduciary personnel changes occur, Authorized Signers for the Custodian accounts shall be appointed by motion of the Board.

5.11. HR shall present the cost of the election to Fiscal for processing.

5.12. The Board shall consider seeking lead plaintiff status in a potential class action lawsuit only if (1) the fund’s estimated losses are $5 million or more or (2) the defendant in the class action lawsuit is local to the Lehigh Valley (i.e. PPL, Mack Trucks.) In all lawsuits where the fund’s estimated losses are less than $5 million and the defendant is not local to the Lehigh Valley, the Board solicitor may decline to seek lead plaintiff status without consulting with the Board, in which case the Board would remain a passive class member.

6. Investment Policy

6.1. The Investment Policy Statement (IPS) shall serve as the guiding principles for the investment consultant and investment managers.

6.2. The IPS shall be reviewed as an agenda item at the second quarterly meeting in the year after the County Executive election.

6.3. The Executive Summary addendum of the IPS shall be reviewed as an agenda item at the first quarterly Board meeting of the year.

6.4. Current Consultant of record – Cornerstone Advisors Asset Management

6.5. Current Actuary of record – Korn Ferry

6.6. Current Custodian of record – Principal Financial Group

6.7. Current Authorized Signers of record:

   6.7.1. Phillips Armstrong
   6.7.2. Mark Pinsley
   6.7.3. Timothy Reeves