

TOWN OF JUPITER POLICE OFFICERS' RETIREMENT FUND

MINUTES OF MEETING HELD

May 15, 2023

The meeting was called to order at 10:06 A.M. in the Council Chambers at the Town Hall, Jupiter, Florida. Those persons present were:

TRUSTEES PRESENT

Jason Alexandre
Mark Ahern
Frank LaPlaca
Michael Salvemini
Nick Scopelitis

OTHERS PRESENT

Margie Adcock, Pension Resource Center
Madison Levine, Sugarman & Susskind P.A. (via electronic)
Chad Little, Freiman Little Actuaries
Burgess Chambers, Burgess Chambers & Associates
Scott Reynolds, Town Finance Director
Anthony Xuereb & Rana Pritanjali; Polen Capital
John Johnson; Eagle Capital
Malise Sundstrom, Council Member
Ryan Kolenich, Participant (via electronic)

WELCOME NEW TRUSTEE MARK AHERN

It was noted that the Town appointed Mark Ahern to fill the position that was previously held by Marc Dobin. The Trustees welcomed Mr. Ahern to the Board

ELECTION OF CHAIR AND SECRETARY

It was noted that a new Chair needed to be elected as Marc Dobin previously held that position. There was a discussion.

- Nick Scopelitis made a motion to appoint Jason Alexandre as Chair. The motion received a second by Michael Salvemini and was unanimously approved.

It was noted that a new Secretary needed to be elected as Jason Alexandre previously held that position. There was a discussion.

- Nick Scopelitis made a motion to appoint Michael Salvemini as Secretary. The motion received a second by Jason Alexandre and was unanimously approved.

APPROVAL OF MINUTES

The Trustees reviewed the minutes of the meeting held February 13, 2023.

- Frank LaPlaca made a motion to approve the February 13, 2023 minutes. The motion received a second by Nick Scopelitis and was approved by the Trustees 5-0.

ACTUARY REPORT

SUMMARY PLAN DESCRIPTION: Chad Little appeared before the Board. He provided the Board with a final updated Summary Plan Description. He stated that he worked with Mr. Alexandre and the Attorney on the language regarding DROP eligibility that the Board felt was confusing for Tier 2 members. It was noted that there was no change to the actual provision of the Plan regarding eligibility, just a change in the language to clarify what is already in the Plan. It was also noted that the list of the Trustees on page 4 would need to be revised as well now.

- Michael Salvemini made a motion to approve the final updated Summary Plan Description to include the update to the list of Trustees. The motion received a second by Nick Scopelitis and was approved by the Trustees 5-0.

Mr. Little stated that he would talk about the assumed rate of return at the next meeting.

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INVESTMENT MANAGER REPORT – EAGLE CAPITAL MANAGEMENT (JOHN JOHNSON)

John Johnson appeared before the Board. He reviewed the market environment for the quarter ending March 31, 2023. He stated that as of last week the portfolio returned about 15%. He noted that there was chaos in the market last year which hurt them badly. He stated that he believes the portfolio is made up of good companies that will return long term. He stated that they ended up the year with high confidence and are enthusiastic with the portfolio. Mr. Johnson discussed the holdings. He stated that Netflix was one of the worst performing stocks in 2022 but is one of the best performing stocks now. He discussed how Netflix turned things around. He stated that Netflix had to take a hard look at what they were doing and changed things for the current market. Mr. Johnson stated that they have not added much or changed much to the portfolio. They do a stress test of the portfolio on an ongoing basis.

INVESTMENT MANAGER REPORT – POLEN CAPITAL MANAGEMENT (ANTHONY XUERE AND RANA PRITANJALI)

Anthony Xuereb and Rana Pritanjali appeared before the Board. Mr. Xuereb stated that he was the senior relationship manager on the client service team and Ms. Pritanjali was a research analyst. They have \$61 billion in assets under management. There have been no changes to their employee ownership structure. They have 227 employees with 45 investment professionals. Ms. Pritanjali discussed their investment process and investment philosophy. She reviewed the investment performance. The total market value as of March 31, 2023 was \$4,732,617. The portfolio was up 14.08% net of fees for the quarter ending March 31, 2023 while the benchmark was up 14.37%. She reviewed the portfolio activity. There was a discussion on Amazon and its position in the portfolio, noting that it was 13.9% of the portfolio. Ms. Pritanjali stated that they put Thermo Fisher Scientific in the portfolio last year and sold MSCI, Intuitive Surgical, and Meta Platforms. There was a discussion on Artificial Intelligence.

John Johnson, Anthony Xuereb and Rana Pritanjali departed the meeting.

INVESTMENT CONSULTANT REPORT – BURGESS CHAMBERS & ASSOCIATES (BURGESS CHAMBERS)

Burgess Chambers appeared before the Board. He stated that the two managers that attended today are on the comeback, which is most evident in the recent quarter. He noted that Eagle is a value firm but has a bias towards large cap growth. Mr. Chambers reported on the performance for the quarter ending March 31, 2023. The total market value of the Fund as of March 31, 2023 was \$94,571,746. The total Fund was up 4.7% net of fees for the quarter ending March 31, 2023 while the benchmark was up 4.4%. Total equities were up 6.5%; domestic equities were up 7.1%; large cap infrastructure was up .7%; convertibles were up 4.6%; international equity was up 9.9%; REITs were up 2.6%; private real estate was down 3.5%; and fixed income was up 2.2%. Mr. Chambers stated that American Realty has been down two quarters in a row now, mostly due to write downs. He stated that their performance is in line with the index. There was a discussion on the Fed. Mr. Chambers stated that the Fed increased rates dramatically but has indicated that they might pause increases now. He thinks rates will start to move down by the end of the year. There was a discussion on the labor market. Mr. Chambers stated that it is a tough time to find and keep employees because of poaching. There was a discussion on the 2023 banking crisis. Mr. Chambers stated that he did not recommend any changes. He sees the portfolio healing and he is looking forward to a double digit return this year. He noted that the Fund was making 4.25% on the Fifth Third cash sweep account.

- Frank LaPlaca made a motion to accept the Investment Consultant Report. The motion received a second by Nick Scopelitis and was approved by the Trustees 5-0.

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OTHER REPORTS

It was noted PomTrack and Robbins Geller monitoring reports were in the Trustee packets for informational purposes and there were no recommendations for action.

ATTORNEY REPORT

Madison Levine appeared before the Board. She discussed House Bill 3. She stated that it will go into effect July 1, 2023. She stated that it provides that any investment decisions must be based solely on pecuniary factors. She stated that she will be issuing a Special Report for the Board to review for the next meeting.

Ms. Levine discussed the Sunshine Law, Form 1 Financial Disclosure requirements and training requirements for Board members. She stated that she was discussing the requirements since Mr. Ahern was new to the Board but noted that this was a good reminder for all of the Trustees.

APPROVAL OF DISBURSEMENT

The Disbursement list was presented for consideration.

- Nick Scopelitis made a motion to approve the disbursements as presented. The motion received a second from Michael Salvemini and was approved by the Trustees 5-0.

It was noted the financial statement through March 31, 2023 was included in the Trustee packet for review. The Trustees accepted the financial statement.

ADMINISTRATIVE REPORT

BENEFIT APPROVALS: Benefit Approvals were presented for consideration.

- Nick Scopelitis made a motion to approve the Benefit Approvals as presented. The motion received a second from Michael Salvemini and was approved by the Trustees 5-0.

ANNUAL FORM 1 FINANCIAL DISCLOSURE FILING REQUIREMENT: The Board was reminded to file the Form 1 Financial Disclosure by July 1st.

UPDATE ON TOWN APPOINTMENTS: it was noted the Town appointed Mark Ahern to the Board and re-appointed Frank LaPlaca to the Board.

STATUS OF ELECTION FOR JASON ALEXANDRE: It was noted that it was time to hold an election for the position held by Mr. Alexandre. The Board was provided with a draft Notice of Election that will be posted. It was noted that Mr. Alexandre was interested in serving for another term.

APPROVAL OF 2022 ANNUAL REPORT: It was noted that the 2022 Annual Report has been approved.

OTHER BUSINESS

There was no other business.

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PUBLIC COMMENTS

The Board invited members of the public to make comments.

Malise Sundstrom appeared before the Board. She stated that she was a Council Member. She was making a tour of the different board meetings in the Town. She stated that she wanted to thank the Trustees for their service.

There were no further public comments.

With there being no further business, the meeting adjourned.

Respectfully submitted,

Michael Salvemini, Secretary