



City of Margate

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Meeting Minutes Employee Benefits Trust Fund

Chair, James Wilbur
Vice Chair, Joanne Simone
Secretary, Jacqueline Chin-Kidd
Trustee, Frank DiNatale
Trustee, Eric Sanzare
Trustee, Neil Sohn
Trustee, Laura Sudman

Thursday, June 15, 2017

2:30 PM

Commission Chambers

CALL TO ORDER

Present: 4 - Chair James Wilbur, Secretary Jackie Chin-Kidd, Trustee Frank DiNatale and Trustee Neil Sohn
Absent: 3 - Vice Chair Joanne Simone, Trustee Eric Sanzare and Trustee Laura Sudman

1) PUBLIC DISCUSSION

There was no Public Discussion.

2) INVOICES

A. [ID 2017-403](#) MOTION - APPROVING INVOICE(S)

CHAIR JIM WILBUR noted an invoice from the Attorney through April 30, 2017, in the amount of \$1,188.48.

The motion carried by unanimous vote 4-0.

CHAIR JIM WILBUR stated that an invoice was due from KSDT, the Accountant that handled the Funds's Taxes, in the amount of \$2,215.00 for filing the taxes.

The motion carried by unanimous vote 4-0.

Present: 4 - Chair James Wilbur, Secretary Jackie Chin-Kidd, Trustee Frank DiNatale and Trustee Neil Sohn
Absent: 3 - Vice Chair Joanne Simone, Trustee Eric Sanzare and Trustee Laura Sudman

3) REPORT FROM INVESTORS

CHAIR JIM WILBUR noted that the Fund would be receiving a check from the City for approximately \$77,000.

JACKIE CHIN-KIDD clarified that the actual check amount was \$72,377.00.

MIKE NICKLER, Morgan Stanley Wealth Management, referred to Page 4, Summary, and gave a brief overview history of the Fund. He explained that the portfolio began with \$140,000 in June 2001. He said that over the last 16 years, a little over \$2 million was added with \$2,647,000 being taken out. He noted that the current balance was

\$4,818,000 with a return of approximately 5.5%. He explained that the portfolio was diversified; however, it was a growth and long term portfolio. He stated that for the first 10 years the portfolio outperformed the SNP; however, from 2011 to 2016 the portfolio underperformed the SNP, because during that time the money was being made in the aggressive growth portfolios. He noted that being diversified did not help the Fund during that period; however, there had been a change now so diversification mattered more. Mr. Nickler reported that for the last quarter the Fund was up 4 percent; year to date it was up 11 percent; the last 12 months it was up 17.7 percent; last 5 years it was up 11.01 percent; last 10 years it was up 5.4 percent; and at inception it was up 5.46 percent. He stated that the consensus of major firms was that the International merging markets would outperform the United States over the next 3 to 5 years. He noted that for the Fund, short term looked good and long term was also strong last year. He felt that more money was going to be made overseas from now until year end. He said that across the board, long term, 5 of the 7 Money Managers were outperforming their index. He noted that short term the Domestic Money Managers looked good except for Delaware small cap growth; however, they were good long term. He added that both the International Money Managers greatly outperformed their index; however, Lazard slightly underperformed their index over the last 6 months, but were very strong long term. He stated that he would not change any of the Money Managers at this time; however, he would make a small change in the Alternatives and put new money overseas. He reported the current breakdown as follows:

19 DOMESTIC LARGE CAP GROWTH
23 LARGE CAP VALUE (MFS AND INVESCO)
10 SMALL MID GROWTH (DELAWARE)
11 SMALL MID VALUE (SYSTEMATIC)
14 INTERNATIONAL (NUVENE)
12 INTERNATIONAL EMERGING MARKETS (LAZARD)
11 ALTERNATIVES (MANAGED FUTURES, DOMESTIC AND INTERNATIONAL
REAL ESTATE, GOLD, VARIOUS PRECIOUS METALS, SILVER, PLATINUM AND
PALLADIUM.

MR NICKLER said that the only change he would make under Alternatives was to split the funds from Platinum and Palladium between gold and silver. He added that he would split the City's \$70,000 payment between the two International Money Managers.

CHAIR WILBUR explained that the Fund previously received 100 percent payroll from the City; however, after the Actuarial Study, the amount contributed changed to \$72,377.00. He noted that \$215,000 was taken out in December to payout to retirees.

MR. NICKLER said that the Fund would eventually deplete.

ATTORNEY MARK W. FLOYD, Mierzwa and Floyd, P.A., noted that the plan was not only mature now, but it was also a closed plan. He explained that the Actuary would determine the required contribution for the City to pay, which could fluctuate up and down depending on expenses and losses.

A motion was made by Secretary Chin-Kidd, seconded by Trustee Sohn, to invest \$70,000 of the City's contribution into International. The motion carried by the following vote:

Yes: 4 - Chair Wilbur, Secretary Chin-Kidd, Trustee DiNatale and Trustee Sohn

Absent: 3 - Vice Chair Simone, Trustee Sanzare and Trustee Sudman

MS. CHIN KIDD noted that the City's money was due July 1st; therefore, it would be provided the last week in June.

CHAIR WILBUR noted that he made up the Budget for the new fiscal year, which he read into the record. He stated that accountant fees were \$3,000 for filing of tax returns and other processes; Attorney fees were \$3,000; \$3,000 to be kept for death benefits; \$7,500 needed for audit; and \$1,000 allocated for microfilming and software. He noted that the total Budget was \$17,500.00 and the checking account balance was \$15,493.50; therefore, the \$2,006.50 difference would come from the remainder of the \$72,377.00 City contribution after giving Mr. Nickler \$70,000 to invest.

MS. CHIN KIDD clarified that the City's contribution amount would be based on the Actuarial report, which according to the resolution would be every 3 years.

4) REPORT FROM ATTORNEY

ATTORNEY MARK W. FLOYD, Mierzwa and Floyd, P.A., stated that the Engagement Letter for the auditor was signed today and would be submitted back.

CHAIR WILBUR said that somebody else would be found to do the taxes and financial statements.

ATTORNEY FLOYD noted that it would be the same person, which would involve the \$800 expense approved at the last meeting. He stated that the only other pending issue was the restatement of the Plan Document, which he would have ready for the next meeting.

5) REPORT FROM TRUSTEES

CHAIR JIM WILBUR said that he would meet with the 3 new Trustees to explain the MEBTF and the process.

ATTORNEY MARK W. FLOYD, Mierzwa and Floyd, P.A., agreed and stated that there was no Sunshine stipulation unless discussing something coming before the Board for a decision.

NEIL SOHN requested that the meeting with the Chair be held in the afternoon, because he worked nights and slept in the morning.

MS. CHIN KIDD said that Eric Peart was originally notated as not eligible in terms of years so he would have to wait until he was age appropriate. She stated that Mr. Peart disputed that within the time frame allowed and was paid based on the Board's decision to follow the Florida Retirement System (FRS) and allow for the entire month's credit. She noted that Mr. Peart was days shy of 25 years, but the Trustees voted to give him the 25 years so he could begin collecting his benefit; however, it was not noted in his file.

ATTORNEY FLOYD clarified that the rule was that if working one day in the month, credit was given for that month.

MS. CHIN KIDD continued explaining that the Trustees voted to approve Mr. Peart's benefit; however, his folder was not changed and when the following year came he was still being considered not eligible. She said that Mr. Peart notified the City and upon reviewing the file, it was determined that he was now owed another year for \$1,620, because the 2015 payment had been missed.

CHAIR WILBUR noted that Mr. Peart's paperwork was in order and he asked that the

information be notated in his file along with a copy of the minutes.

A motion was made by Secretary Chin-Kidd, seconded by Trustee DiNatale, to pay Eric Peart the amount of \$1,620 for his benefit for 2015, due to an oversight by the Board. The motion carried by the following vote:

Yes: 4 - Chair Wilbur, Secretary Chin-Kidd, Trustee DiNatale and Trustee Sohn

Absent: 3 - Vice Chair Simone, Trustee Sanzare and Trustee Sudman

6) OTHER BUSINESS

FRANK DINATALE mentioned retiree John Petroglia who recently passed away and asked about the status.

CHAIR JIM WILBUR said that he was able to contact Mr. Petroglia's former wife and the benefit was paid.

CHAIR WILBUR stated that notification was received from the Internal Revenue Service (IRS) pertaining to a late fee of \$460 because the tax return was filed late. He explained that Steve Gordon, Accountant, had requested the IRS to waive the fee because it was never late before and the Fund was a non-profit organization.

CONSENSUS was given 4-0 for Chair Wilbur to cut the check for \$460 if necessary.

CONSENSUS was also given for Fiscal Year documents to be sent to microfilm for an approximate cost of \$500.

CHAIR WILBUR thanked Carol DiLorenzo for her years of service, as she was retiring.

7) SCHEDULE NEXT MEETING

CHAIR JIM WILBUR noted that the next meeting was scheduled for November 16th, 2017.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:12 PM.

Respectfully submitted,

Transcribed by Carol DiLorenzo

Jackie Chin-Kidd, Secretary

*Date:*_____