



City of Margate

5790 Margate Boulevard
Margate, FL 33063
954-972-6454
www.margatefl.com

Meeting Minutes Employee Benefits Trust Fund

Chair, James Wilbur
Vice Chair, Neil Sohn
Secretary, Jacqueline Chin-Kidd
Trustee, Frank DiNatale
Trustee, Robert Kriplean
Trustee, Todd Sherman
Trustee, Joanne Simone

Monday, August 3, 2020

11:00 Virtual Meeting - <https://us02web.zoom.us/j/84531816266>

CALL TO ORDER

ROLL CALL

Present: 5 - Trustee Neil Sohn, Trustee Robert Kriplean, Trustee Frank DiNatale, Vice Chair Joanne Simone and Chair James Wilbur
Absent: 2 - Trustee Patrick Laprade and Secretary Jackie Chin-Kidd

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

CITY CLERK JOSEPH J. KAVANAGH read a statement pertaining to the City's virtual public meeting pursuant to the Sunshine Law and Florida State Governor Ronald Dion DeSantis' Executive Order.

1) PUBLIC DISCUSSION

There was no public discussion.

2) PRESENTATION

A. [ID 2020-219](#) INTRODUCTION TO NEW FINANCIAL ADVISOR

EMPLOYMENT BENEFIT TRUST FUND (EBTF) CHAIR JAMES A. WILBUR introduced the new Finance Advisor, Mr. Scott Owens.

GRAYSTONE CONSULTING SENIOR VICE PRESIDENT SCOTT OWENS thanked EBTF Board for the opportunity and said that it was unfortunate that he was unable to meet them in person. He introduced himself by explaining that he had been doing this since 1987 and for the last 25 years, he had been an Institutional Consultant. He said that Graystone Consulting was the institutional arm of Morgan Stanley and that his team consisted of 13 and that he was one of the partners on the team. He advised that his team was the largest government entity team within Morgan Stanley and they have approximately 60 different cities that they work with. He advised that they have dedicated analysts that focus on the investment national process and they also have dedicated

customer service associates. He continued with his presentation where he said that he would talk about the market, the economy and the portfolio and he would also focus on managers that were not performing as well as expected. He spoke about a couple of house cleaning items which included the Investment Policy Statements that had not been updated recently and recommended that this should be something that they considered going forward. He explained that they would prepare an Investment Policy Statement based on what they currently had which would be open for discussion which the EBTF Board could tweak. He continued his discussion where he talked about the changes in the economy and how the Coronavirus disease (COVID-19) had affected the same. He indicated that earnings would have to continue to go up and their prices would have to go down and that there would be periods of a volatile market where he said that currently, every day there was a one per cent move. He referred to page 5 of the report and referenced a pie chart called Investment Summary and said that as of June 30th, the accountant net of fees was up 21.34 percent but in July, it was continuing to go up and that not much had happened. He continued to discuss this section of the report where at the bottom of the page (returns) and referenced a blue circle and said that the Portfolio had a higher return with a lower risk and said that they needed to be in the upper left hand quadrant. He said that he noticed that some changes were made at the beginning of 2019 which increased the income to approximately \$82,000 which was something that they could discuss. He said that large growth companies in the United States (US) had been the drivers of the market and that growth had dramatically outperformed value and referenced page 7 as an example of Personal growth. He continued with his presentation and discussed Internationals. He said that one of the reasons why they had Internationals was that the economy and the International markets did not do the same thing at the same time as the US markets and historically, they were anywhere between six to 12 months behind the US. He summarized by saying that the account had done fine for how it had been established and that there had been some changes made in the last year or two that would establish huge risks. He repeated that some of the things they should consider was to take a look at the Investment Policy statement and he suggested putting in a bright light on some of the managers to ensure that the risk adjustment returns were superior. He advised that Graystone Consulting worked both with Mark Floyd and Chad Little on other plans and said that he wanted to make sure that they were all aligned to create an efficient portfolio.

EBTF CHAIR WILBUR explained that they recently received their annual payment for the City for approximately \$28,000. He said that he would round it up to \$30,000 and send it to Graystone Consulting for investment but they need to approve the way they would invest it. He asked Mr. Owens if they could give them that investment information today.

GRAYSTONE CONSULTING SENIOR VICE PRESIDENT OWENS explained that he would prefer to put something in writing as typically, he would need to look at the overweights and underweights in the portfolio.

EBTF CHAIR WILBUR confirmed to Mr. Owens that it would be fine if he needed time to look at it. He said that unless the Board members or EBTF Attorney had any objections, he would ask Mr. Owens to review their investment policy and revert back to the EBTF Board with his opinion.

GRAYSTONE CONSULTING SENIOR VICE PRESIDENT OWENS asked the EBTF Board if they were expecting changes and whether everyone was happy and satisfied with the way that the portfolio was performed. He also asked if there was anything else that they wanted him to look at or consider.

EBTF CHAIR WILBUR suggested that he should return back and give his real opinion.

Discussion ensued.

GRAYSTONE CONSULTING SENIOR VICE PRESIDENT OWENS asked if they could reformat the report as their current style was completely different to what they normally present. He explained what changes would be made and said that they would be very pleased with the new intuitive format that would help them with the decision making process.

MIERZWA & FLOYD, P.A. AND EMPLOYMENT BENEFIT TRUST FUND (EBTF) ATTORNEY, MARK W. FLOYD highly recommended Mr. Owens make a modification to the report. He explained that it would be different to what they had before and indicated that previously, Morgan Stanley had provided more of a retail side rather than an institutional side. He also said that this would serve the interest of the Board of Trustees much better than any relationship they had up to this point. He also said that with the investment of the most recent contribution for the City, rather than having to wait for an investors fund, it would be perfectly appropriate should the Board so desire, to adopt a motion of allowing Graystone the authority to determine the allocation in order to rebalance in accordance with the existing investment policy statements.

A motion was made by Vice Chair Simone, seconded by Trustee Sohn, to allow Graystone the authority to determine the allocation in order to rebalance in accordance with the existing investment policy statements. This carried by the following vote:

Yes: 5 - Trustee Sohn, Trustee Kriplean, Trustee DiNatale, Vice Chair Simone and Chair Wilbur

Absent: 2 - Trustee Laprade and Secretary Chin-Kidd

EBTF CHAIR thanked Mr. Owens and said that as soon as they were in receipt of the letter, he would forward the money to Graystone Consulting.

3) REPORT FROM TRUSTEES

A. [ID 2020-201](#) INTRODUCING NEW EBTF BOARD MEMBERS

EBTF CHAIR WILBUR advised that they were notified by International Association of Fire Fighters (IAFF) that Mr. LaPrade was not to serve on the EBTF Board and that the IAFF would have to go back to electing another member. He welcomed new member, Lieutenant Robert Kriplean, who would be representing the Police Benevolent Association (PBA).

B. [ID 2020-204](#) ELECTION OF OFFICERS

EBTF CHAIR WILBUR explained that annually, they had to elect new officers but this year, there was a delay due to COVID-19. He asked for the nomination for the Chair of EBTF.

A motion was made by Trustee DiNatale, seconded by Vice Chair Simone, to nominate James A. Wilbur, as Chair for EBTF. This carried by the following vote:

Yes: 5 - Trustee Sohn, Trustee Kriplean, Trustee DiNatale, Vice Chair Simone and Chair Wilbur

Absent: 2 - Trustee Laprade and Secretary Chin-Kidd

EBTF CHAIR WILBUR said that the next position was for Vice Chair.

EBTF VICE CHAIR JOANNE SIMONE stated that she wanted to give up her position as Vice Chair to EBTF and give it to an employee.

A motion was made by Trustee Kriplean, seconded by Trustee DiNatale, to nominate Neil Sohn as Vice Chair for EBTF. This carried by the following vote:

Yes: 5 - Trustee Sohn, Trustee Kriplean, Trustee DiNatale, Vice Chair Simone and Chair Wilbur

Absent: 2 - Trustee Laprade and Secretary Chin-Kidd

EBTF CHAIR WILBUR advised that the last position was for Secretary.

A motion was made by Trustee Sohn, seconded by Trustee DiNatale, to nominate Jacqueline Chin-Kidd as Secretary for EBTF. This carried by the following vote:

Yes: 5 - Trustee Sohn, Trustee Kriplean, Trustee DiNatale, Vice Chair Simone and Chair Wilbur

Absent: 2 - Trustee Laprade and Secretary Chin-Kidd

4) MINUTES

A. [ID 2020-188](#) MOTION - APPROVING MINUTES DATED JANUARY 23, 2020

A motion was made by Trustee DiNatale, seconded by Trustee Sohn, that the Minutes dated January 23rd, 2020, should be approved. This carried by the following vote:

Yes: 5 - Trustee Sohn, Trustee Kriplean, Trustee DiNatale, Vice Chair Simone and Chair Wilbur

Absent: 2 - Trustee Laprade and Secretary Chin-Kidd

5) INVOICES

A. [ID 2020-190](#) MOTION - APPROVING INVOICE(S) FROM MIERZWA & FLOYD, P. A.

A motion was made by Trustee DiNatale, seconded by Trustee Sohn, to approve invoice from Mierzwa & Floyd, P. A., for the sum of \$1,681.66. This carried by the following vote:

Yes: 5 - Trustee Sohn, Trustee Kriplean, Trustee DiNatale, Vice Chair Simone and Chair Wilbur

Absent: 2 - Trustee Laprade and Secretary Chin-Kidd

6) DISCUSSION AND POSSIBLE ACTION

A. [ID 2020-189](#) MOTION - TO DISCUSS ENGAGEMENT LETTER FROM KSDT

A motion was made by Trustee Kriplean, seconded by Trustee Sohn, to approve the engagement letter from KSDT.

EBTF CHAIR WILBUR explained that it was EBTF's annual audit that was performed by KABAT, SCHERTZER, DE LA TORRE, TARBOULOS & CO., LLC (KSDT) and that they were required to report to the unions and City annually. He asked if the EBTF Attorney Floyd had a chance to review the engagement letter.

MIERZWA & FLOYD , P.A. AND EBTF ATTORNEY FLOYD said that it was okay with him but he did not know what the increase was.

Discussion ensued on finding the proposed increase.

EBTF CHAIR WILBUR said that this Item would have to be discussed at the next meeting when they would be in a better position to discuss the increase.

7) APPROVAL OF BENEFITS

A. [ID 2020-202](#) DISCUSSION AND POSSIBLE ACTION - APPROVAL OF BENEFITS

EBTF CHAIR WILBUR advised that a retired Police Officer, John F Jackson, passed away recently and that they were waiting on the Death Certificate. He advised that they could approve his payment now based on the Guidelines outlined in the planned document.

Discussion ensued on obtaining Mr. Jackson's Death Certificate.

A motion was made by Trustee Sohn, seconded by Trustee DiNatale, to approve the death benefit of John F Jackson.

Yes: 5 - Trustee Sohn, Trustee Kriplean, Trustee DiNatale, Vice Chair Simone and Chair Wilbur

Absent: 2 - Trustee Laprade and Secretary Chin-Kidd

6) DISCUSSION AND POSSIBLE ACTION (CONTINUED)

A) [ID 2020-189](#) MOTION - TO DISCUSS ENGAGEMENT LETTER FROM KSDT

SALENE E. EDWARDS notified Chair Wilbur that City Clerk Kavanagh located the fee for the engagement letter.

CITY CLERK JOSEPH K. KAVANAGH outlined the fee at the bottom of page seven for the engagement letter.

MIERZWA & FLOYD , P.A. AND EBTF ATTORNEY FLOYD said that the fee identified would be for this year but did not know what the actual increase was.

EBTF CHAIR WILBUR said that the fee was about the same and that it was less than \$10,000. He said that this fee was an acceptable number.

Discussion ensued.

A motion was made by Trustee Sohn, seconded by Trustee Kriplean, to approve the engagement letter from KSDT.

Discussion ensued on the increased fee of KSDT.

The motion carried as follows:

Yes: 5 - Trustee Sohn, Trustee Kriplean, Trustee DiNatale, Vice Chair Simone and Chair Wilbur

Absent: 2 - Trustee Laprade and Secretary Chin-Kidd

8) REPORT FROM ATTORNEY

A. [ID 2020-205](#) DISCUSSION AND POSSIBLE ACTION - REPORT FROM EBTF ATTORNEY ON ADMINISTRATIVE SEARCH

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY FLOYD explained that at the last meeting, the Board wanted to explore offloading the administration of EBTF. He advised on Anchor Benefit Consulting (ABC) and said that it was used by nine of their other clients that had a similar retirement scheme to EBTF. He explained that they would take the work associated with administering the benefit which would not involve the running of the Board Trustees meeting or drafting Minutes. He said that they would be responsible for the processing of the benefits, the handling of the applications, the handling of the proof of insurance and he advised that the Retirees would be able to contact ABC directly to acquire about eligibility for benefits and that they could process that information via facsimile transmission or through their website which had a portal to upload documents. He referred to the document that was distributed to the Trustees which contained a brief description of their services and fees. He explained that if EBTF decided to engage with ABC in the future, that organization would contact each Retiree and those who would be

eligible to receive benefit and that ABC would take over the administration of those benefits from January 2021. He advised that if they were going to engage ABC, ideally, they would need to start from October 31st, 2020. He explained that if it was something that they wanted to pursue, they could either conduct an interview and hold a Special EBTF meeting or if they did not believe that an interview was necessary, they could correctly engage them. He highlighted the prices of their services which included a One-Time Set-up fee of \$2,000 and an Annual Renewal fee of \$250. He also discussed the difference between the two administration fees of \$4.50 per employee, per month and \$9 per employee, per month which would include a debit card. He said that they had approximately 200 participants that were in paid status and that were receiving the benefits from the fund and they would be looking at approximately \$900 per month in administrative fees. He said that if they were to go to a complete administrative process, he could converse with a couple of administrative houses that would be willing to do that although that was not what the EBTF Board had previously discussed as they only wanted to offload the benefits. He said that if they were to offload complete administration of the funds, they would be looking at a fee between \$1,500 - \$1,800 per month. He repeated that if they decided to move forward, they would take over processing all forms, applications, proof of insurance, all eligibility requirements and receipt of benefits, payments of the benefits and contacting those who had not submitted proper paperwork and they would provide a report to the Board as to who was eligible, those who had satisfied all of the eligible requirements and the benefits that were paid.

Discussion ensued on a question and answer session with the MBTF Attorney Floyd and the general process of ABC.

EBTF CHAIR WILBUR said that as he did not hear any objections, he would set up a time and date to be determined to interview ABC at a Special EBTF meeting. He said that outsourcing the administration was a good idea.

9) OTHER BUSINESS

There was no other business.

10) SCHEDULE NEXT MEETING

EBTF CHAIR WILBUR repeated that they determined that they would have to arrange for a Special EBTF meeting so that they could have ABC attend to provide further explanation on their services and to add any additional Items to the Agenda which may arise.

Discussion ensued on arranging a meeting in September 2020.

EBTF CHAIR WILBUR said Thursday, September 10th, 2020. He requested that EBTF Attorney Floyd contact ABC to find out what time would be the most appropriate. He said that they would also have a meeting in October 2020, date of which they would determine at the next Special EBTF meeting. He said that this month, he would be sending out the reminder notices to the Retirees that had not submitted their paperwork.

ADJOURNMENT

There being no further business, the meeting adjourned at 12:03pm.

Respectfully submitted,

Transcribed by Salene E. Edwards

James A. WilburDate:

If a person decides to appeal any decision made by the Board with respect to any matter considered at this meeting, the person will need a record of the proceedings, and for such purpose may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Anyone desiring a verbatim transcript shall have the responsibility, at his/her own expense, to arrange for the transcript.

Any person with a disability requiring auxiliary aids and services for this meeting may call the City Clerk's office at 954-972-6454 with their request at least two business days prior to the meeting date.

One or more members of the City Commission or advisory boards of the City of Margate may be in attendance and may participate at the meeting.

The City of Margate's procedure for the virtual public meeting are as follows:

- Pursuant to Governor DeSantis' Executive Orders 20-51 and 20-52, in which the Governor declared a public health emergency and a state of emergency, there is a recommendation to limit public gatherings.
- On March 20, 2020, Governor DeSantis issued Executive Order 20-69, suspending the quorum requirements for public meetings held by a local government body, and the requirement that a local government body must meet at a specific public place.
- On June 23, 2020, Governor DeSantis issued Executive Order 20-150, extending Executive Order 20-69 regarding local government public meetings until 12:01 a.m. on August 1, 2020.
- On July 29, 2020, Governor DeSantis issued Executive Order 20-179, extending Executive Order 20-69 regarding local government public meetings until 12:01 a.m. on September 1, 2020.
- Consistent with the authority contained in the Governor's Executive Orders, and in order to ensure the health, safety, and welfare of the City of Margate's residents and employees, the City of Margate finds that it is in the best interest of the City of Margate to hold this virtual public meeting.
- Therefore, the City of Margate will be holding this virtual meeting through the use of electronic communication. Members of the public are invited to join the City of Margate meeting by accessing the meeting through Zoom using Webinar ID: 845-3181-6266 or can call in via telephone by calling one of the following phone numbers: US: +1 312 626 6799 or +1 929 205 6099.
- A copy of the Agenda for this Virtual Meeting is posted on www.MargateFL.com and on the main bulletin board outside City Hall located at 5790 Margate Blvd, Margate, FL 33063.
- Any comments related to any item on the agenda can be submitted to the City of Margate via the following e-mail address: JJKAVANAGH@MARGATEFL.COM.

THROUGH THE CITY'S WEBSITE:

Go to www.margatefl.com

Go to "Agendas & Minutes" > Find the respective meeting date and click "Agenda Summary" to view the agenda items and see the Zoom meeting website address

PRIOR to the start of the meeting, email Public Comments to JJKAVANAGH@MARGATEFL.COM (all public comments that are three (3) minutes or less will be read into the record.)

ALTERNATE OPTION FOR VIEWING AND PARTICIPATING IN THE MEETING:**THROUGH ZOOM TECHNOLOGY:**

Instructions for Attendees\Participants:

Topic: "Virtual Meeting - Margate Employee Benefit Trust Fund (EBTF) Meeting"

Enter the following link to join the webinar: <https://us02web.zoom.us/j/84531816266>

Telephone:

Dial (for higher quality, dial a number based on your current location):

US: 1-669-900-6833 or 1-929-205-6099

Webinar ID: 845-3181-6266

To virtually raise hand and be acknowledged to speak:

1. Users who call in can dial *9 to raise their hand
2. If going through mobile (phone\tablet) app, to raise hand select "Participants", then see option to raise hand.
3. On the computer users should click "Participants" then see option to raise hand
4. Once you have been selected to speak, you will be prompted to unmute your device or stay muted.