



City of Margate

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

Meeting Minutes Employee Benefits Trust Fund

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

Thursday, November 19, 2020

11:00

Virtual Meeting
<https://us02web.zoom.us/j/89788596208>
Webinar ID: 897 8859 6208

CALL TO ORDER

ROLL CALL

Present: 7 - Trustee Joanne Simone, Trustee Todd Sherman, Trustee Robert Kriplean, Trustee Frank DiNatale, Secretary Jacqueline Chin-Kidd, Vice Chair Neil Sohn and Chair James Wilbur

Trustee Simone attended via Zoom

Trustee Sherman attended via Zoom

CITY CLERK JOSEPH J. KAVANAGH read a statement pertaining to the virtual public meeting pursuant to the City's Emergency Ordinance 2020-6 and Florida State Governor Ronald Dion DeSantis' Executive Order.

1) PUBLIC DISCUSSION

There was no Public Discussion.

2) PRESENTATION

A. [ID 2020-422](#) INVESTMENT MANAGEMENT PERFORMANCE UPDATE FROM GRAYSTONE CONSULTING

GRAYSTONE CONSULTING, SENIOR VICE PRESIDENT (VP), DAVID A. WHEELER introduced himself as the Institutional Consulting Director at Morgan Stanley in Tampa and provided various brochures and proposals to the Board members. He said that he appreciated the opportunity to be here along with his colleague, Andy McIlvaine. He apologized for the change in consultants and said that going forward, he would be covering the City of Margate. He explained that as of January 2021, he would have been employed with Morgan Stanley for 32 years. He said that there were five areas that they were going to cover at this meeting:

- To discuss the City's fees and a possibility of reducing them;
- The City's performance which was very good for the last 12 months;

- To flow through to an asset allocation decision;
- Provide an update on the City's Investment Policy Statement (IPS) and;
- Conduct two Manager searches and referenced to bring in fixed income.

GRAYSTONE CONSULTING, SENIOR VP WHEELER continued with his presentation and conducted an overview on the City's Current Fee Analysis where he made a number of recommendations. He said that EBTF now qualified for the institutional rate and he referenced sending an Institutional Service Agreement (ISA) which could be sent to either EBTF Chair Wilbur or to EBTF Attorney Floyd and said that the benefit was that it lowered the cost, it equalized their fee over all Asset Classes and it was also the standard in terms of an institutional process.

EMPLOYMENT BENEFIT TRUST FUND (EBTF) CHAIR JAMES A. WILBUR questioned if there was any objection from the Board for the EBTF Attorney to review the contract and revert to the Board with a recommendation and possible action.

CONSENSUS was given by the EBTF Trustees.

EBTF CHAIR WILBUR requested that Graystone Consulting Senior VP Wheeler should send the ISA both to himself and EBTF Attorney Floyd.

Discussion ensued on where to send the ISA.

GRAYSTONE CONSULTING, FINANCIAL ADVISOR, ANDY MCILVAINE introduced himself and went through the Graystone Consulting Custom Report where he discussed markets, the economy and the City's performance.

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY, MARK W. FLOYD referred to pages 8 and 9 of the Custom Report where there was a history of the fund, referenced Graystone Consulting's reduced fees of \$15,000 and explained why they were seeing those big changes. He informed that as Trustees, those reports would be more informative and that they would appreciate and utilize this data a lot more.

Discussion ensued on the design of the simplified style and detail of the new reports and fees.

GRAYSTONE CONSULTING VP WHEELER continued with his presentation and reflected on Graystone Consulting's Custom Report. He referenced page 8 of the Custom Report and said that for the last four years, they had been withdrawing money in the first quarter of every year and questioned whether they intend to do that again in 2021. He explained that with the current markets, he recommended that this was the best time to withdraw money and requested an approximate figure of what was needed.

EBTF CHAIR WILBUR explained that they withdrew money every year as that was when they paid their benefits in advance with one check per member. He said that they would have to look at what they paid out last year but said that they would probably need \$250,000 - \$275,000.

GRAYSTONE CONSULTING VP WHEELER recommended that they should withdraw \$300,000 from the Large Cap Growth and deposit it into the money market account which would handle EBTF's distribution in January/February.

Discussion ensued on how to proceed with the recommendations and motions and whether these should be processed individually or accumulatively at the end of the

presentation.

GRAYSTONE CONSULTING VP WHEELER continued with his presentation and referenced the Wealth Strategy Analysis which was the asset allocation study. He discussed forward looking returns and that Morgan Stanley did a building block approach. He said that they looked at two different returns which were Strategic Assumptions and the other was Secular Assumptions. He referenced page 3 and recommended EBTF adopt Mix 2 which they would put into their IPS.

Discussion ensued.

GRAYSTONE CONSULTING VP WHEELER continued with his presentation and discussed EBTF's IPS. He said that they would incorporate the Mix 2 recommendation, fill in the very last page that would have their targets plus reasonable ranges on either side. He said that they would be updating this probably every other year. He advised that they would make the adjustments to this policy to reflect Mix 2 and forward it to EBTF Attorney Floyd for review. He explained that the next time they attended, they would sign off on it. He then referred to the Investment Manager Search booklet and said that there were two searches; one was to replace the Large Cap International Value Manager and the other was the Core Fixed Income Manager/Fund Search Manager. He discussed the Large Cap International Value Managers from the booklet by providing detailed analysis from the data and recommended Lazard Asset Management LLC to replace Levine. He then discussed the second search which was Core Fixed Income analysis and suggested Western Asset Core Bond which would be approximately five percent of their assets. He advised that initially, they would get a contract approved and suggested this could be done internally before they start to execute some of those recommendations.

A motion was made by Trustee Sohn, seconded by Trustee Kriplean, for Graystone Consulting to move \$300,000 into a Money Market account from their equities, to select the Mix 2 option on the realigning of their investments, to replace Levine with Lazard Asset Management LLC, to select Western Asset Core Bond as the fixed Income Manager and Graystone Consulting would adjust their Statement of Investments to reflect all of these changes and pending legal review, also give EBTF Attorney Floyd and Chair Wilbur the okay to execute these changes as they align in. These will be approved contingent upon legal review of the proposed contract. This carried by the following vote:

Yes: 7 - Trustee Simone, Trustee Sherman, Trustee Kriplean, Trustee DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

EBTF CHAIR WILBUR thanked the two representatives from Graystone Consulting for attending the meeting.

GRAYSTONE CONSULTING VP WHEELER explained they would bring other material to the next EBTF meeting.

Meeting went into Recess.

Meeting Reconvened.

3) MINUTES

- A. [ID 2020-415](#) MOTION - APPROVING MINUTES DATED AUGUST 3, 2020 AND SEPTEMBER 9, 2020

A motion was made by Trustee Simone, seconded by Trustee Kriplean, that the Minutes dated August 3, 2020 and September 9, 2020 should be approved. This carried by the following vote:

Yes: 6 - Trustee Simone, Trustee Sherman, Trustee Kriplean, Trustee DiNatale, Vice Chair Sohn and Chair Wilbur

Not Present: 1 - Secretary Chin-Kidd

4) INVOICES

- A. [ID 2020-417](#) MOTION - APPROVING INVOICE(S) FROM MIERZWA & FLOYD, P. A.

A motion was made by Secretary Chin-Kidd, seconded by Vice Chair Sohn, to approve payment of Mierzwa & Floyd P. A.'s invoice of \$2,296.69. This carried by the following vote:

Yes: 7 - Trustee Simone, Trustee Sherman, Trustee Kriplean, Trustee DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

5) DISCUSSION AND POSSIBLE ACTION

- A. [ID 2020-416](#) MOTION - APPROVING NEW CONTRACT WITH MICHAEL P. MANGAN C. P A., P. A. FOR ACCOUNTING AND BOOKKEEPING SERVICES

EBTF SECRETARY JACQUELINE CHIN-KIDD explained that every year, they had to employ a bookkeeping service for the audit as the auditors could not do both. She also advised that the separate company would prepare the reports for the audit.

Discussion ensued on whether the amount would exceed \$3,000.

A motion was made by Trustee Simone, seconded by Trustee DiNatale, to accept the services of Michael P. Mangan C. P. A., P. A. and to give Chair Wilbur and Secretary Chin-Kidd the authority to pay the bills when they were due but not to exceed the amount of \$3,000. This carried by the following vote:

Yes: 7 - Trustee Simone, Trustee Sherman, Trustee Kriplean, Trustee DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

- B. [ID 2020-418](#) MOTION - APPROVING NEW HOURLY RATES FOR MIERZWA & FLOYD, P. A.

A motion was made by Trustee Simone, seconded by Trustee DiNatale, to approve the new hourly rates for Mierzwa & Floyd P. A. from \$270 per hour to \$290 per hour.

EBTF CHAIR WILBUR advised that there had not been an increase for three years and that it had only been raised approximately three times over a 20 year period.

The motion carried by the following vote:

Yes: 7 - Trustee Simone, Trustee Sherman, Trustee Kriplean, Trustee DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

6) APPROVAL OF BENEFITS

A. [ID 2020-419](#) DISCUSSION AND POSSIBLE ACTION - APPROVAL OF RENEWAL APPLICATIONS

EBTF CHAIR WILBUR said that he would combine both 6A and 6B and explained his proposal to the Board. He said that as it had been a tough year, he wanted to ensure that the members had ample time to receive their money.

A motion was made by Vice Chair Sohn, seconded by Trustee DiNatale, that EBTF extend their November 15th deadline for the applications to the end of the calendar year and also extend beyond that to allow time for their members to submit their paperwork to their new vendor, Anchor Benefit Consulting (ABC), Inc. and also take into account the pandemic, should be discussed.

Discussion ensued on extending the time period to submitting the application form.

CHAIR WILBUR explained that some applications attached incorrect supporting documentation. He anticipated sending the checks out by the end of January but forewarned that the date may have to be extended. He also indicated that they may have to send out checks to those that were approved and extend the period for payment for the late applications.

Discussion ensued including the deadline for submittal and who would be responsible for distributing the checks.

The motion was approved by the following vote:

Yes: 7 - Trustee Simone, Trustee Sherman, Trustee Kriplean, Trustee DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

B. [ID 2020-420](#) DISCUSSION AND POSSIBLE ACTION - APPROVAL OF NEW APPLICATIONS

This Item was combined with 6A.

C. [ID 2020-421](#) DISCUSSION AND POSSIBLE ACTION - APPROVAL OF DEATH BENEFIT

EBTF CHAIR WILBUR questioned whether Annette Daniels was the only Death Benefit.

EBTF SECRETARY CHIN-KIDD said that there may have been two but she would check the same.

Discussion ensued and it was decided to revert back to this Item after Item 7.

7) REPORT FROM ATTORNEY

MIERZWA & FLOYD , P.A. AND EBTF ATTORNEY FLOYD informed that everything went smoothly with ABC in getting the contract completed. He also advised that they would get the contracts completed with Graystone and the new Investment Managers. He said that they did not anticipate any issue with Graystone as they worked with them in many other places.

EBTF CHAIR Wilbur said that he was pleased that they were moving up with money managers as it was really tough at the beginning. He requested that the Trustees forward all new applications to him which he would mail once per week to ABC. He highlighted the problems with ABC's website which was another reason why he wanted the deadline extended.

Discussion ensued on issuing the death benefits in their normal process.

6) APPROVAL OF BENEFITS CONTINUED

C) [ID 2020-421](#) DISCUSSION AND POSSIBLE ACTION - APPROVAL OF DEATH BENEFIT

EBTF SECRETARY CHIN-KIDD confirmed there was only one Death Benefit.

A motion was made by Trustee Simone, seconded by Trustee DiNatale, to pay Annette Daniels' Death Benefit to her designated beneficiary based on the calculations found in the plan document and deducting the number of months she had already been prepaid. This carried by the following vote:

Yes: 7 - Trustee Simone, Trustee Sherman, Trustee Kriplean, Trustee DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

8) REPORT FROM TRUSTEES

EBTF TRUSTEE SIMONE wished everyone a safe and happy Thanksgiving.

9) OTHER BUSINESS

There was no Other Business.

10) SCHEDULE NEXT MEETING

EBTF CHAIR WILBUR scheduled the next EBTF meeting for Thursday, January 21st,

2021 at 2:30pm.

ADJOURNMENT

There being no further business, the meeting adjourned at 12:50pm.

Respectfully submitted,

Transcribed by Salene E. Edwards

Jacqueline Chin-Kidd

Date: _____

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.

Per the unanimous approval of Emergency Ordinance 2020-6 on October 30, 2020, the City Commission finds that it is in the best interests of the City Commission, Boards, Committees, City personnel, and citizens and residents of the City to authorize the City Manager to provide for the City Commission, members of the various Boards, Committees, Magistrate, staff, and the public to be able to attend meetings electronically during a declared public health emergency, pursuant to the City's Charter, Chapter 252, Florida Statutes, Section 4 D of Governor DeSantis' Executive Order 20-52, and the City's home rule authority, including that set forth in Article VIII, Section 2(b), Florida Constitution, and Section 166.021, Florida Statutes.

Consistent with the authority contained in the Emergency Ordinance, 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 their best interests to hold this virtual public meeting.

Therefore, the City of Margate will be holding this virtual meeting through the use of electronic communications. Members of the public are invited to join this virtual meeting at www.zoom.com and entering Webinar ID: 897 8859 6208 or by calling in via telephone by dialing one of the following phone numbers: 312-626-6799 or 929-205-6099 - Webinar ID: 897 8859 6208

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 following e-mail address:
JJKAVANAGH@MARGATEFL.COM

INSTRUCTIONS FOR PARTICIPATING IN THE MARGATE EMPLOYEE BENEFITS TRUST FUND (EBTF) VIRTUAL MEETING

THURSDAY, NOVEMBER 19, 2020 AT 11 A.M.

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

THROUGH COMCAST CHANNEL 78:

If you are a Comcast/Xfinity customer, please go to Channel 78 to view the meeting.

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 Benefits Trust Fund"

Enter the following link to join the webinar: <https://us02web.zoom.us/j/8978859208>

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: 897 8859 6208