



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, January 21, 2021

2:30 PM

Virtual Meeting
<https://us02web.zoom.us/j/88972769579>
Webinar ID: 889 7276 9579

CALL TO ORDER

ROLL CALL

Trustee Todd Sherman attended via Zoom.

Present: 4 - Trustee Todd Sherman, Secretary Jacqueline Chin-Kidd, Vice Chair Neil Sohn and Chair James Wilbur

Absent: 2 - Trustee Joanne Simone and Trustee Robert Kriplean

Trustee Sherman attended via Zoom

Trustee Jones attended via Zoom

Trustee DiNatale attended in person

Secretary Chin-Kidd attended in person

Vice Chair Sohn attended in person

Chair Wilbur attended in person

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

EMPLOYMENT BENEFIT TRUST FUND (EBTF) CHAIR JAMES A. WILBUR explained the protocol for submitting a Public Discussion.

There was no Public Discussion.

2) MINUTES

A. [ID 2020-456](#) MOTION - APPROVING MINUTES DATED NOVEMBER 19, 2020

A motion was made by Secretary Chin-Kidd, seconded by Vice Chair Sohn, that the Minutes dated November 19, 2020, should be approved. This carried by the following vote:

Yes: 5 - Trustee Sherman, DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

Absent: 2 - Trustee Simone and Trustee Kriplean

3) INVOICES

A. [ID 2020-458](#) 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's invoice for the sum of \$1,115.66. This carried by the following vote:

Yes: 5 - Trustee Sherman, DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

Absent: 2 - Trustee Simone and Trustee Kriplean

4) APPROVAL OF BENEFITS

A. [ID 2020-459](#) MOTION - FINAL APPROVEMENTS OF BENEFIT APPLICATIONS FOR 2020

EBTF CHAIR WILBUR queried whether Anchor Benefits Consulting (ABC) was on the video conferencing in the meeting.

Discussion ensued.

EBTF SECRETARY JACQUELINE CHIN-KIDD advised that ABC emailed a listing for the payout for the Retirees that she provided to the EBTF Board members who were present in the Chambers. She explained that she added two columns on the end of the listing to highlight the Retired members that would receive an additional amount for the previous year and that the second column was highlighted to illustrate those who were receiving under or over their maximum payment. She said that the only correction she had was for Mr. Willie Baker. She noted that it was the first application that they had received for him and stated that he should receive a retroactive payment for 2020.

Discussion ensued on Mr. Baker's application and retroactive payments.

EBTF CHAIR WILBUR explained that Mr. Baker would have to submit his paperwork in order to receive a retroactive payment. He asked EBTF Attorney Floyd to explain the purpose of the change in the "Pre-Tax Premium" column and that they would have to make a couple of changes to the planned document to accommodate their members.

MIERZWA & FLOYD , P. A. AND EMPLOYMENT BENEFIT TRUST FUND (EBTF) ATTORNEY, MARK W. FLOYD explained that ABC was doing a more thorough audit of the expenses paid by Retirees than how it was processed before. He said that ABC was analyzing the expenses of the participants and requiring them to show proof of payment. He advised that ABC discovered that a few of the participants were employed and were already paying their health insurance on a pre-tax basis which meant that their premiums

were being paid with a pre-tax dollar. He advised that they could not tax advantage the same dollar twice and that those participants that were paying for their health insurance on a pre-tax basis were required to have other qualified expenses in order to receive the benefit from this fund. He recommended that they amend the Planned Document to expand the qualified expenses that were allowed to be reimbursed from just the health insurance premiums to "any qualified medical expense under the internal revenue code." He explained that subsequently, they could specify to ABC that they had the entire year to use their annual benefit whenever they incurred a medical expense and request a reimbursement at that time. He said that at the end of the year, they could do one of two things which the Board could decide; either replenish the Retiree's benefit back up to their annual amount or add on another lump sum which would be on top of their existing card balance. He advised that either way, there was no actuarial impact because we assumed that all benefits would be paid. He said that they would definitely need to expand the coverage for qualified medical expenses from just health insurance premiums to any qualified medical expense as defined by the internal revenue code.

EBTF CHAIR WILBUR explained that ABC would be tracking this by issuing the Retiree a credit card with a balance on it and when the card was used, it would be recorded and verified that it was a qualified medical expense.

MIERZWA & FLOYD, P. A. AND EBTF ATTORNEY FLOYD confirmed that the debit card could only be used for approved purchases. He explained that the Retiree would also have an account that they could check the balance at any time using ABC's website.

Discussion ensued on what the debit card could be used for and obtaining greater access to the benefit.

A motion was made by Secretary Chin-Kidd, seconded by Vice Chair Sohn, to expand the benefit to include any qualified medical expense as defined under the Internal Revenue Service (IRS) code.

EBTF SECRETARY JACQUELINE CHIN-KIDD questioned what would happen to the balance if a Retiree passed away during the year.

EBTF VICE CHAIR NEIL SOHN explained that they needed to make this change which would prevent them from removing any benefit from the members.

Discussion ensued.

The motion carried by the following vote:

Yes: 5 - Trustee Sherman, DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

Absent: 2 - Trustee Simone and Trustee Kriplean

MIERZWA & FLOYD, P. A. AND EBTF ATTORNEY FLOYD confirmed that he would

make the necessary changes to the plan and present it to the EBTF Board at the next meeting.

EBTF CHAIR WILBUR explained that the Board would have to decide on the overages or carryover if there were any balances at the end of the calendar year on the debit card. He also said that they would have to decide on what they would do with the money upon the death of a Retiree.

Discussion ensued.

A motion was made by Vice Chair Sohn, seconded by Trustee DiNatale, that the card balance would stay with the member and would rollover and upon their death, the monies would go to the surviving beneficiary.

MIERZWA & FLOYD, P. A. AND EBTF ATTORNEY FLOYD advised that the motion should be more specific to indicate that the balances could rollover and that in the event of death, it would go to the spouse or dependent children to avoid a taxable event.

An amendment was made by Secretary Chin-Kidd, seconded by Trustee DiNatale, that the card balance would stay with the member, rollover to the following year and upon their death, the remaining card balance is limited to their qualified spouse and dependant children.

The amendment carried by the following vote:

Yes: 5 - Trustee Sherman, DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

Absent: 2 - Trustee Simone and Trustee Kriplean

The original motion, as amended, carried by the following vote:

Yes: 5 - Trustee Sherman, DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

Absent: 2 - Trustee Simone and Trustee Kriplean

Discussion ensued.

A motion was made by Vice Chair Sohn, seconded by Trustee DiNatele, to approve the Benefits.

EBTF VICE CHAIR SOHN referred to the list and indicated that he had several Retirees under the Police Department that stipulated "no" for the 2020/21 affidavit and no check amount listed. He referenced the verbiage and said that previously, he did not recall it being referred to as an "affidavit".

EBTF SECRETARY CHIN-KIDD believed the Retirees that EBTF Chair Sohn referred to did not submit an application and that the deadline was extended. She said that she understood that ABC would contact those people to try to get them to submit their application.

EBTF CHAIR WILBUR confirmed that at the last meeting, they agreed that they were going to extend this as far as they could due to the transition. He said that he would request ABC to ensure that they were contacting the Retirees so that they could submit their application.

EBTF CHAIR SOHN said that one of the recent Retirees had the code "SR" and indicated that he was not familiar with that term.

EBTF SECRETARY CHIN-KIDD noticed that a code had been placed against all the new Retirees.

Discussion ensued.

SALENE E. EDWARDS asked if Mr. Randall A. Mobley would receive a retroactive payment.

EBTF SECRETARY CHIN-KIDD confirmed that Mr. Mobley was on the list to receive a retroactive payment. She explained that she did send ABC a list of all the Retirees that were eligible for a retroactive payment and repeated that all of them should receive payment apart from those who did not submit an application.

EBTF CHAIR WILBUR referenced benefits that were not pre-taxed and questioned whether a Retiree would receive a check or a debit card that they could spend on anything.

MIERZWA & FLOYD, P. A. AND EBTF ATTORNEY FLOYD confirmed that they would receive a check which was indicated on the spreadsheet. He reminded that there was one fee schedule but there were two different rates for payment. He said that for those who received a check, we would only pay the lower rate which would be processed in January. He said that for those who had a remaining balance after premium payments are deducted and for those that the entire benefit would be remaining, they would be the Retirees that would receive a debit card.

EBTF CHAIR WILBUR repeated that they could approve those applications that they had received to date and that ABC would need to contact the members of those who had not submitted their form and correct paperwork in order for them to receive their benefit.

MIERZWA & FLOYD, P. A. AND EBTF ATTORNEY FLOYD highlighted that one of the advantages with ABC they did not have before was that if a Retiree submitted their paperwork in March, ABC could still process that information on a go forward basis.

EBTF CHAIR WILBUR said they should Call the Roll on the benefits as indicated on the understanding that ABC would continue to get hold of these members who did not submit their affidavits and that they would have to approve them at the next EBTF meeting that they would have to hold within the next month or so.

The motion carried by the following vote:

EBTF CHAIR WILBUR thanked EBTF Attorney Floyd for his help.

5) DISCUSSION AND POSSIBLE ACTION

A. [ID 2021-024](#) ELECTION OF OFFICERS

EBTF CHAIR WILBUR explained that he was retiring from the City and that City Manager Curtis had appointed Michael A. Jones as his replacement but he had not been sworn in as yet. He also advised that they would have to take the signed Minutes to Wells Fargo and resubmit signature cards for checks. He said that currently, there were only two people who were authorized to sign checks but recommended that there should be three. He said that this would be his last meeting as Chair to EBTF and that he would accept nominations for Chair.

A motion was made by Secretary Chin-Kidd, seconded by Trustee DiNatale, to nominate Vice Chair Sohn, as Chair to EBTF.

EBTF VICE CHAIR Sohn declined the position due to work commitments.

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

Yes: 5 - Trustee Sherman, DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

Absent: 2 - Trustee Simone and Trustee Kriplean

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

Yes: 5 - Trustee Sherman, DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

Absent: 2 - Trustee Simone and Trustee Kriplean

EBTF CHAIR WILBUR had been doing this for 20 years and said that since ABC had been contracted, they had taken all the workload and indicated that it would not be as much work involved as it used to be.

6) REPORT FROM ATTORNEY

MIERZWA & FLOYD, P. A. AND EBTF ATTORNEY FLOYD confirmed that he had no report other than what they had already discussed.

7) REPORT FROM TRUSTEES

EBTF TRUSTEE SHERMAN said that he had a few members coming up for approval of benefits for this coming January and some that would be retiring this year.

Discussion ensued.

EBTF TRUSTEE FRANK DINATALE referenced the list and said that he had turned in the paperwork for José Pagan.

EBTF CHAIR WILBUR advised that Trustee DiNatale would have to get in contact with ABC pertaining to José Pagan's form.

EBTF SECRETARY JACQUELINE CHIN-KIDD asked for additional clarification on the approval of the applications. She questioned whether they approved the amounts that were on the list or whether they also approved the Trustees that were pre-taxed and that ABC was going to issue them with a debit card.

EBTF CHAIR WILBUR confirmed that they were all approved. He said that the only ones they did not approve were those retirees with missing paperwork and they would have to come back before the Board.

SALENE E. EDWARDS asked if they had to nominate the position of Vice Chair.

EBTF VICE CHAIR SOHN said that he would continue in his position.

8) PRESENTATION

A. [ID 2020-457](#) INVESTMENT MANAGEMENT PERFORMANCE UPDATE FROM GRAYSTONE CONSULTING

GRAYSTONE CONSULTING, SENIOR VICE PRESIDENT (VP), DAVID A. WHEELER provided financial reports to those who were present in City Hall, discussed the Quarterly Performance Summary and some administration matters and said that they did see some positivity in the economy. He outlined some of the negatives that included regulatory burden placed on certain sectors such as energy, financial companies, tax policies and healthcare. He advised that EBTF had a very good performance against the All Country World Index (ACWI) benchmark but as they moved forward, they would put together a performance return based upon their policy benchmarks. He referenced NWQ and said that it was a Manager that they would be changing. He hoped that they would be doing the contract today and that they would make a change to Lazard that they approved at the last EBTF meeting. He explained that it was a lower risk and a lower return and said that they would have to look and do some more calculations. He said

that over the long run, it had underperformed the entire timeframe with the exception of this period of the last quarter but explained that if you looked long term, it had a negative alpha and sharp ratios below its benchmark. He said that Lazard was similar and that he would be removing some other Market Managers when they made the allocated changes. He repeated that it was a good performance number of a 15 percent quarter and currently, the balance was approximately \$6,400,000.

Discussion ensued.

GRAYSTONE CONSULTING, SENIOR VICE PRESIDENT (VP) WHEELER referenced operational and said that they did receive an Institutional Service Agreement (ISA). He explained that the ISA would allow them to lower their fees and that was the contract they would operate upon in terms of their consultant, which allowed for a lower cost structure, which was an update to the Investment Agreement that they had signed multiple times over the last several years. He advised that the EBTF Attorney Floyd recommended some adjustments based on their normal contract and indicated that they now had a contract that was ready for their signature.

MIERZWA & FLOYD, P. A. AND EBTF ATTORNEY FLOYD confirmed that the contract had been reviewed which was ready for approval.

Discussion ensued on the ISA.

EBTF CHAIR WILBUR said that Secretary Chin-Kidd and Vice Chair Sohn should be two authorized signers and referenced that there should be three authorized signers for checks.

GRAYSTONE CONSULTING, SENIOR VICE PRESIDENT (VP) WHEELER said that they had an updated Investment Policy Statement (IPS) and explained that it was a reflection of the asset allocation and the changes that they had made the last time. He said that the original IPS that they had presented which EBTF Attorney Floyd had reviewed was originally designed and based on a \$5,000,000,000 plan which had been reduced as they did not need that level of sophistication. He continued to highlight the language that had been changed throughout the IPS.

MIERZWA & FLOYD, P. A. AND EBTF ATTORNEY, FLOYD confirmed that he had reviewed the IPS and it met with his approval.

A motion was made by Secretary Chin-Kidd, seconded by Trustee DiNatale, to accept the new Statement of Investment Policy with the recommended changes.

The motion carried as follows:

Yes: 5 - Trustee Sherman, DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

Absent: 2 - Trustee Simone and Trustee Kriplean

GRAYSTONE CONSULTING, SENIOR VICE PRESIDENT (VP) WHEELER continued with his presentation and referred to the report on Investment Manager Search and discussed the same. He continued to walk through this report and recommended either Nuance or Chartwell for the new Market Managers.

Discussion ensued on Nuance vs Chartwell to be used as a Market Manager.

A motion was made by Vice Chair Sohn, seconded by Trustee DiNatale, that they should move with Chartwell as a Market Manager. This carried as follows:

Yes: 5 - Trustee Sherman, DiNatale, Secretary Chin-Kidd, Vice Chair Sohn and Chair Wilbur

Absent: 2 - Trustee Simone and Trustee Kriplean

9) OTHER BUSINESS

EBTF CHAIR WILBUR explained that he had been serving on this Board since its inception and repeated that he would be retiring. He wished everyone good luck.

10) SCHEDULE NEXT MEETING

EBTF CHAIR WILBUR confirmed that the next meeting would take place on Thursday, February 18th, 2021 at 2:30pm. He also confirmed that Parks and Recreation Director Jones would be representing the Department Directors.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:52pm.

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 2020-8 on December 9, 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 communication. Members of the public are invited to join the City of Margate meeting by accessing the meeting through Zoom using Webinar ID: 889-7276-9579 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: JKKAVANAGH@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 JKKAVANAGH@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"

Enter the following link to join the webinar: <https://us02web.zoom.us/j/88972769579>

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: 889-7276-9579

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.