



City of Margate

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

Meeting Minutes Employee Benefits Trust Fund

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

Thursday, June 17, 2021

14:30

Commission Chambers and Zoom.us
Webinar ID: 830 5737 1344

<https://us02web.zoom.us/j/83057371344>

CALL TO ORDER

ROLL CALL

Present: 4 - Trustee Joanne Simone, Trustee Michael Jones, Secretary Frank DiNatale and Chair Jacqueline Chin-Kidd
Absent: 3 - Trustee Todd Sherman, Trustee Robert Kriplean and Vice Chair Neil Sohn

JOSEPH J. KAVANAGH swore in Employment Benefit Trust Fund (EBTF) Chair Chin-Kidd and Trustee Simone.

1) PUBLIC DISCUSSION

There was no public discussion.

2) MINUTES

A. [ID 2021-137](#) MOTION - APPROVING MINUTES DATED JANUARY 21, 2021

A motion was made by Trustee Simone, seconded by Secretary DiNatale, that the Minutes dated January 21st, 2021, should be approved. This carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

B. [ID 2021-148](#) MOTION - APPROVING MINUTES DATED FEBRUARY 18, 2021

A motion was made by Trustee Simone, seconded by Trustee Jones, that the Minutes dated February 18th, 2021, should be approved. This carried by a unanimous 4 - 0.

3) PRESENTATION

A. [ID 2021-138](#) INVESTMENT MANAGEMENT PERFORMANCE UPDATE FROM GRAYSTONE CONSULTING

GRAYSTONE CONSULTING, SENIOR VICE PRESIDENT, DAVID A. WHEELER attended via Zoom and said that next time, he hoped that both he and Andy McIlvaine would attend in person. He advised that at the last three or four EBTF meetings, they did a lot of heavy lifting and today was a little bit of a course correction and indicated they would discuss other areas the next time they met. He spoke about the economy and predicted that it would have a very strong second quarter and thought it would be somewhere between 5% - 7% which was on top of the first quarter which was up 6%. He believed that the economy would continue to grow through the rest of this year and well into 2022 and would be one of the strongest Growth Domestic Product (GDP) since 1984. He also spoke about the vaccine rollout. He continued to provide a detailed analysis based on the Graystone Consulting's Quarterly Performance Summary which included the Capital Market returns, Total Fund – Executive Summary and Asset Allocation Compliance. He referred to page 21 and said that as of June 8th, 2021, EBTF was at \$6,479,554, ended the quarter at \$6,139,000 and that they were up \$300,000. He advised that EBTF's fiscal dollar-weighted at an internal rate of return (IRR) from September 30th and was up 26%. He said that they could look at EBTF's asset allocation showing what their policy targets were and the ranges in relative to where they were right now and that they could see that they were below their target for Invesco and slightly below their minimum. He recommended the following:

- Add \$200,000 to Invesco
- Remove \$100,000 from Clearbridge and Bahl & Gaynor
- Add \$50,000 to Chartwell
- Remove \$100,000 from Delaware
- Add \$50,000 to REITH
- Remove \$50,000 from gold
- Add \$50,000 into D & D account

He anticipated removing \$300,000 out of equity at sometime in the fourth quarter of 2021 or early next year.

EBTF TRUSTEE MICHAEL A. JONES referenced asset allocation and questioned how frequently Graystone Consulting rebalanced the account.

EBTF CHAIR CHIN-KIDD said that they did not usually make changes unless it was at a meeting and advised that if there was a matter of urgency, Graystone Consulting Senior Vice President Wheeler would alert the EBTF board where they could make a determination by organizing an emergency EBTF meeting. She advised that all decisions were usually made by the EBTF board at the meeting.

GRAYSTONE CONSULTING, SENIOR VICE PRESIDENT WHEELER, said that the asset allocations was meant to be looked at but not changed daily, weekly or even monthly. He thought that they would be able to accomplish their objectives through a review and thoughtful asset allocation on a quarterly basis but indicated that if something major occurred, they would contact Salene E. Edwards or Trustee Chin-Kidd if they believed a change should occur between quarterly meetings where they would provide a recommendation that they may want to take action on. He said that typically, this was meant to be longer term in nature so that they were adjustments and not wholesale changes.

A motion was made by Trustee Jones, seconded by Secretary DiNatale, to approve Graystone Consulting Senior Vice President Wheeler's recommendations. This was carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

B. [ID 2021-248](#) MOTION - APPROVING AN ADDITIONAL SIGNER FOR MORGAN STANLEY

EBTF CHAIR CHIN-KIDD explained that they needed paperwork to add some more signatures to the account. She said that currently, it was just herself and Vice Chair Sohn on the Investment Account and recommended adding Trustee Jones and Secretary DiNatale. She requested Graystone Consulting Senior Vice President Wheeler to forward paperwork to the EBTF Board.

A motion was made by Secretary DiNatale, seconded by Trustee Jones, to add signers, Secretary DiNatale and Trustee Jones, on the Morgan Stanley account. This carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

C. [ID 2021-265](#) MOTION - APPROVING THE ALLOCATION OF CITY FUNDS

EBTF CHAIR CHIN-KIDD explained that they should receive a check from the City for approximately \$28,369 based on the last actuarial report and said that she would take a recommendation from Graystone Consulting Senior Vice President Wheeler on how to apply those funds.

GRAYSTONE CONSULTING, SENIOR VICE PRESIDENT WHEELER, suggested that the check be deposited in the Deposit and Disbursement account for future spending.

A motion was made by Trustee Jones, seconded by Secretary DiNatale, for the City's check, once received, to be deposited into the Deposit and Disbursement account with Morgan Stanley. This carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

EBTF CHAIR CHIN-KIDD thanked Graystone Consulting Senior Vice President Wheeler for his services.

GRAYSTONE CONSULTING, SENIOR VICE PRESIDENT WHEELER queried the date of the next EBTF meeting.

Discussion ensued.

EBTF CHAIR CHIN-KIDD confirmed that the next meeting would be on Thursday, September 16, 2021.

4) INVOICES

A. [ID 2021-149](#) MOTION - APPROVING INVOICE FROM MIERZWA & FLOYD, P. A.

A motion was made by Trustee Simone, seconded by Trustee Jones, to approve the invoice from Mierzwa & Floyd P. A. for \$3,953.45. This carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

B. [ID 2021-139](#) DISCUSSION AND POSSIBLE ACTION - ONGOING INVOICES THAT ARE PAID PER CONTRACT

EBTF CHAIR CHIN-KIDD explained that this Item pertained to invoices which did not require an approval as they were paid according to their approved contract and were being stated for the record. She listed payments since the last EBTF meeting such as the monthly invoices for Anchor Benefit Consulting (ABC), Inc. which averaged under \$900 per month and total \$3,518.70. She advised that on average, the EBTF Board met every three months and whatever invoices we received, were normally held for the next meeting and asked what the EBTF Board's opinion was, if they paid our regular invoices as they were received instead of accumulating them for the next meeting. She said that she could present the paid invoices at the following EBTF meeting.

EBTF TRUSTEE JONES referenced the invoices and questioned who was reviewing the same for accuracy. He suggested that there could be a second reviewer as he would prefer a second set of eyes prior to payment.

EBTF CHAIR CHIN-KIDD responded to EBTF Jones' question.

Discussion ensued on whether there should be a second signer for invoices.

A motion was made by Trustee Jones, seconded by Secretary DiNatale, for two EBTF board members to review and approve invoices for payment processing between meetings and the invoices would be mentioned at the following meeting. This carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

5) APPROVAL OF BENEFITS

EBTF CHAIR CHIN-KIDD provided EBTF Board members in attendance with a listing of

everything paid to date for the 2021 benefit as well as anyone who received retroactive payment and said that the total amount was \$292,591.44 which included the checks and the medical cards. She advised that there were some additional renewals that were processed but there was only one new applicant which was from Pam Donovan who recently met the age requirement that was clarified at the last meeting, who received her current benefit and the retroactive payment for one year. She also informed that Alan Lidestri submitted his application in November 2020 but as he did not apply for his Florida Retirement System (FRS) immediately upon termination, he was denied as he did not qualify. She explained that he was injured and never returned to work and subsequently, terminated from his position in May 2017 but his FRS benefits did not start until September 2017. She said that HR had no explanation in their file as to why there was a gap. She indicated that Mr. Lidestri was deemed disabled a year after his retirement and he believed that he should be eligible on that basis.

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY, MARK W. FLOYD informed that the EBTF Board did not recognize disability and said that even if they did have an employee who was eligible to be a participant in EBTF who became disabled and received a disability pension, that would not trigger the benefit. He confirmed that the disability was not a criteria.

EBTF TRUSTEE JONES asked when would Mr. Lidestri become eligible based on his current filing with FRS.

EBTF CHAIR CHIN-KIDD informed that Mr. Lidestri would never be eligible since the requirement of the document was once you severed from the City, you would have to immediately apply for your FRS benefit to be eligible. She said that even after the termination, Mr. Lidestri still waited approximately four months to apply for his FRS benefit and therefore, would not qualify. She informed that the only way the EBTF Board could allow this was if they decided to make an exception for him, but it could open up a whole can of worms moving forward.

Discussion ensued.

EBTF SECRETARY FRANK DINATALE asked how long did Mr. Lidestri work for the City.

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY, MARK W. FLOYD confirmed that Mr. Lidestri worked for 14 years at the City.

Discussion ensued on the definition of EBTF's eligibility and Mr. Lidestri's application.

A motion was made by Trustee Jones, seconded by Trustee Simone, to uphold the denial of Mr. Lidestri application. This carried by the following vote:

Yes: 3 - Trustee Simone, Trustee Jones and Chair Chin-Kidd

No: 1 - Secretary DiNatale

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

6) DISCUSSION AND POSSIBLE ACTION

A. [ID 2021-151](#) ANCHOR BENEFIT CONSULTING (ABC) PROCEDURES

ABC, INC. DIRECTOR OF OPERATIONS LUCY RAMOS explained her operational procedures and informed that they would be sending out EBTF's packages a little earlier than what they usually did for other clients. She said that they were considering sending out reminders in September to submit their 2022 affidavits.

EBTF CHAIR CHIN-KIDD agreed that September was a good time to send out the packets. She informed that they usually send out the blank renewal application with the payment and requested Ms. Ramos to follow suit, which would allow more time and it was a procedure that the Retirees were used to. She continued to discuss the City's procedures and suggested that she could add Ms. Ramos' contact details to the brochure for Retirees so they could make contact directly for their packets.

Discussion ensued.

SALENE E. EDWARDS suggested that ABC send out the affidavits early and follow up with a reminder.

EBTF CHAIR CHIN-KIDD confirmed that she would send ABC's Director of Operations Ramos an updated list of Retirees that had enrolled.

SALENE E. EDWARDS advised that ABC should emphasize that the affidavits and general inquiries should be directed to them as the City was still receiving many calls.

B. [ID 2021-152](#) CLOSING THE WELLS FARGO BANK ACCOUNT

EBTF CHAIR CHIN-KIDD said that it was discussed at the last EBTF meeting about closing the Wells Fargo Bank account and opening a new commercial account to meet certain requirements made by the bank. She advised that they purchased money orders to pay for outstanding checks and invoices to avoid checks being cashed from a closed account. She continued to explain how the Wells Fargo bank account was closed and said that there was no need to open a local account, since ABC was now issuing the benefit checks and the Trust did not issue that many other checks for the year.

Discussion ensued.

A motion was made by Trustee Jones, seconded by Trustee Simone, to close the Wells Fargo local account and use our cash account with Morgan Stanley. This carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

EBTF CHAIR CHIN-KIDD advised that after the invoices were paid, the balance in the Wells Fargo account was \$11,964.04 which was transferred to the Morgan Stanley account. She also highlighted two uncashed checks from 2019 to Randall Mobley which were replaced as a money order and that there were two older voided checks which were not reissued and we were not required to reissue.

A motion was made by Trustee Jones, seconded by DiNatale, to not reissue the two older voided checks. This carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

C. [ID 2021-247](#) MOTION - APPROVING NEW CONTRACT WITH MICHAEL P. MANGAN C. P A., P. A., FOR ACCOUNTING AND BOOKKEEPING SERVICES

EBTF CHAIR CHIN-KIDD informed that for 2020, Michael P. Mangan charged EBTF \$3,000 for his services and the contract that he submitted was for \$3,300. She explained that Mr. Mangan may have put in more time than he had originally quoted but he stuck to the contract and she thought that the \$300 increase was reasonable.

EBTF TRUSTEE JONES questioned how long Mr. Mangan had been with EBTF.

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY FLOYD advised that Michael P. Mangan had been with EBTF for approximately four years. He also explained why Kabat, Schertzer, De La Torre, Tarboulos & Co., LLC (KSDT) could no longer do both the financial statements and the audit, hence why they engaged Michael P. Mangan to prepare the financial statements.

Discussion ensued.

A motion was made by Trustee Jones, seconded by Trustee Simone, to approve the new contract with Michael P. Mangan C. P A., P. A. This carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

D. [ID 2021-249](#) MOTION - TO ACCEPT KABAT, SCHERTZER, DE LA TORRE, TARABOULOS & COMPANY'S (KSDT CPA) LETTER OF ENGAGEMENT, YEAR ENDING MAY 31, 2021

EBTF CHAIR CHIN-KIDD explained that last year, KSDT's fee was \$8,100 which had increased to \$8,500 for this year. She advised that KSDT also had an additional amount for \$500 refillable expenses and \$500 for preparation of the Form 990 which was the same as last year.

A motion was made by Trustee Jones, seconded by Secretary DiNatale, to approve KSDT's letter of engagement for the year ending May 31, 2021. The motion carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

E. [ID 2021-266](#) ESTIMATE FOR ACTUARIAL REPORT

EBTF CHAIR CHIN-KIDD explained that they were required by the City to provide an actuarial report every three years so they needed to start the process to get that completed. She advised that she received an estimate of \$20,000 from Freiman Little Actuaries (FLA), LLC and the last time they used them, they paid them \$23,250 so it had decreased since the last time we paid them three years ago. She recommended moving forward with FLA as the process was smoother, as they had a lot of EBTF's data already and if they went out for a Request for Proposal (RFP), September would be a very busy season for actuaries.

EBTF TRUSTEE JONES queried if the last actuary report was received in 2019.

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY FLOYD confirmed it was for the year ending May 31, 2018 but the report was produced in 2019. He said that for this Item, it would be for the year ending May 31, 2021 but you would probably not see the report until approximately March 2022.

Discussion ensued.

A motion was made by Trustee Simone, seconded by Trustee Jones, to move forward with Freiman Little Actuaries, LLC estimate of \$20,000 for an actuarial report. This carried by the following vote:

Yes: 4 - Trustee Simone, Trustee Jones, Secretary DiNatale and Chair Chin-Kidd

Absent: 3 - Trustee Sherman, Trustee Kriplean and Vice Chair Sohn

7) REPORT FROM ATTORNEY

There was no report from EBTF Attorney Floyd.

8) REPORT FROM TRUSTEES

EBTF Trustee Simone complimented Chair Chin-Kidd at running today's meeting.

9) OTHER BUSINESS

EBTF TRUSTEE JONES questioned how EBTF advised family members when a Retiree was deceased.

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY FLOYD was not aware of any specific procedure being in place and said that the EBTF Board always relied on family members reaching out. He indicated that if Human Resources was notified, it would be great if they could inform the board and do the same with a new Retiree.

Discussion ensued including creating a standard procedure and that those should be directed to ABC.

CONSENSUS was given to discuss this as a standard procedure at a future EBTF meeting.

10) SCHEDULE NEXT MEETING

EBTF CHAIR CHIN-KIDD advised that the next meeting would be September 16th, 2021.

SALENE E. EDWARDS queried the dates of the meeting.

Discussion ensued.

ADJOURNMENT

There being no further business, the meeting adjourned at 4:01pm.

Respectfully submitted,

Transcribed by Salene E. Edwards

Frank DiNatale

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.

The Margate EBTF will be holding this meeting through the use of electronic communication. Members of the public are invited to join the Margate EBTF meeting by accessing the meeting through Zoom using Webinar ID: 830 5737 1344 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 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 Margate EBTF 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.)

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THROUGH ZOOM TECHNOLOGY:

Instructions for Attendees\Participants:

Topic: "Virtual Meeting - Margate EBTF"

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1. Users who call in can dial *9 to raise their hand and dial *6 to toggle mute/unmute
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.