



# City of Margate

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## Meeting Minutes Employee Benefits Trust Fund

*Jacqueline Chin-Kidd, Chair*  
*Michael A. Jones, Vice Chair*  
*Ronald N. Gangoo, Secretary*  
*Alberto Arango, Trustee*  
*Paul Frankenhauser, Trustee*  
*Lori Marrero, Trustee*  
*Joanne Simone, Trustee*

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Thursday, November 2, 2023

14:30

Commission Chambers

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### CALL TO ORDER

### ROLL CALL

**Present:** 5 - Trustee Joanne Simone, Trustee Alberto Arango, Trustee Ronald N. Gangoo,  
Vice Chair Michael Jones and Chair Jacqueline Chin-Kidd  
**Absent:** 2 - Trustee Lori Marrero and Trustee Paul Frankenhauser

### 1) PUBLIC DISCUSSION

There was no Public Discussion.

### 2) MINUTES

**A. [ID 2023-241](#) MOTION - APPROVING MINUTES DATED JULY 27, 2023**

**A motion was made by Trustee Simone, seconded by Vice Chair Jones, to approve Minutes dated July 27, 2023.**

**Yes:** 5 - Trustee Simone, Trustee Arango, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

**Absent:** 2 - Trustee Marrero and Trustee Frankenhauser

### 3) PRESENTATION

**A. [ID 2023-242](#) INVESTMENT MANAGEMENT PERFORMANCE UPDATE FROM GRAYSTONE CONSULTING**

GRAYSTONE CONSULTING (GC), SENIOR VICE PRESIDENT, DAVID A. WHEELER, introduced his colleague and Institutional Consultant, T. J. Lowe, who would try to attend the Employment Benefit Trust Fund (EBTF) meetings regularly. He provided the Trustees with a Quarterly Performance Summary which included economic and market commentary before going into the report. He advised that yesterday and today, the market was up dramatically and that most people believed that it had been a volatile year and also stated that the dollar was stronger this year. He said that the EBTF raised some cash and that they were throwing dividends and interest from the portfolio into the cash reserve. He highlighted the fiscal year performance and said that EBTF had withdrawn \$287,000 over the last 12 months and were in preparation for another withdrawal of approximately \$300,000 in January 2024.

He advised that the market volatility did not really make any impact as they had their distribution for 2024 already set aside and then hopefully, EBTF would have a chance over the next 15 months to be able to raise additional cash for their 2025 distribution. He questioned EBTF Attorney, Floyd, if he wanted to discuss house bill 3 (HB3).

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY, MARK W. FLOYD, referenced the last EBTF meeting where they discussed the amendments to HB3 that took effect July 1st which prohibited environmental, social and governance (ESG) considerations by this board and explained that anybody making any investment decisions of public monies could only do so based on pecuniary interest. He advised that GC had drafted a proposed amendment to the investment policy statement and referenced page 2 where they were basically siding to 112.662 of Florida statutes. He informed that the provisions of Chapter 112, 175 and 185 do not actually apply to the EBTF board but were used as guidelines as they applied to all retirement systems in the state of Florida. He advised that one of the guidelines they follow is not to invest more than 25% of assets in a foreign investment. He explained that amendments were made to Chapter 218 Florida statutes which dictated that investment of all public monies had to comply with the pecuniary factors, which would be the EBTF's only consideration. He referenced page 17 and advised that they were not required to follow their guidance regarding State Filing Requirements. He said that if they were a retirement system pension plan, then by December 15, 2023 and every other December 15 thereafter, they would have to file a report saying that they have complied with their requirements and that they have considered pecuniary factors and also that their investment consultants and their investment managers have agreed to do the same. He advised that as the EBTF was not a retirement system, they do not have to file that report and so his advice would be to delete subsection B State Filing Requirements from page 17 and otherwise, he agreed with the amendments and recommend the EBTF's adoption.

GC SENIOR VICE PRESIDENT, WHEELER said that he would need the EBTF board to approve the investment policy and would forward it to EBTF Chair, Chin-Kidd, for her signature with the amendments applied therein.

**A motion was made by EBTF Vice Chair Jones, seconded by Trustee Simone, to approve the updated Investment Plan based on the changes outlined by EBTF Attorney Floyd. This carried by the following vote:**

**Yes:** 5 - Trustee Simone, Trustee Arango, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

**Absent:** 2 - Trustee Marrero and Trustee Frankenhauser

## 10) SCHEDULE NEXT MEETING

Item 10) was heard after Item 3) A.

The EBTF board agreed with the date recommended by Mierzwa & Floyd P. A. and EBTF Attorney, Floyd and set the next meeting for Thursday January, 25, 2024 at 2:30pm.

## 4) INVOICES

Item 4) was heard after 10).

### A. [ID 2023-243](#) INVOICES PROCESSED SINCE THE LAST EBTF MEETING

EBTF CHAIR JACQUELINE CHIN-KIDD explained that she was in receipt of four invoices for EBTF:

- Mierzwa & Floyd, PA - \$751.91;
- Anchor Benefit Consulting, Inc. (ABC) - \$2,975.80 and;
- Kabat, Schertzer, De La Torre, Taraboulos CPA (KSDT) - \$4,375 and \$750.

**A motion was made by Trustee Simone, seconded by Vice Chair Jones, to approve the invoices as submitted. This carried as follows:**

**Yes:** 5 - Trustee Simone, Trustee Arango, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

**Absent:** 2 - Trustee Marrero and Trustee Frankenhauser

## 5) APPROVAL OF BENEFITS

### A. [ID 2023-245](#) MOTION - APPROVAL OF RENEWALS

EBTF TRUSTEE CHIN-KIDD referenced the renewals and advised that EBTF had not reached the cut-off of November 15 and based on the draft that she received to date, the applications for renewals received totaled \$224,780. She advised that if they were to receive the usual renewals, she estimated the total to be over \$315,000. She highlighted those retirees who were previously approved and that if they submitted an application, they would automatically get their renewal benefit and stated that if they did not submit proof of insurance, they would receive an insurance card similar to a Flexible Spending Account (FSA) where they could purchase drugs and pay for medical bills but otherwise, would receive a check.

**A motion was made by Vice Chair Jones, seconded by Trustee Simone, to approve all renewals for previously approved retirees on the proviso that all their paperwork were intact. This carried as follows:**

**Yes:** 5 - Trustee Simone, Trustee Arango, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

**Absent:** 2 - Trustee Marrero and Trustee Frankenhauser

### B. [ID 2023-246](#) MOTION - APPROVAL OF NEW APPLICANTS

EBTF TRUSTEE CHIN-KIDD provided the EBTF board members with a copy of the listing of the new applicants. She read the names of the nine new retirees who met eligibility but Andrew Armenis was noted as not yet meeting the age requirement and Christopher Martinetti was not eligible due to delayed retirement in the Florida Retirement System (FRS).

**A motion was made by Trustee Simone, seconded by Vice Mayor Jones, to approve the nine retirees that EBTF Chin-Kidd named. This carried as follows:**

**Yes:** 5 - Trustee Simone, Trustee Arango, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

**Absent:** 2 - Trustee Marrero and Trustee Frankenhauser

EBTF TRUSTEE CHIN-KIDD explained that retiree, Christopher Martinetti, who was not yet 55 and did not have 25 years of service had applied for the Florida Retirement System (FRS) on July 1, 2022 and terminated with the City on June 10, 2021. She advised that unless Mr. Martinetti could provide contrary documentation, he did not appear to have drawn his FRS immediately upon separation and would therefore, not be eligible at this time. She questioned whether a motion was required.

Discussion ensued on whether a motion should be made.

M & F EBTF ATTORNEY, FLOYD advised that the EBTF board would have to respond if Mr. Martinetti submitted an application, so a motion to deny would be in order along with an explanation that he was ineligible as he did not retire from the City as defined in the plan documents, which states that upon separation from the City and as the direct result of such separation must begin receiving benefits from the FRS.

**A motion was made by Vice Chair Jones, seconded by Trustee Simone, to deny Christopher Martinetti based on our plan requirements. This carried as follows:**

**Yes:** 5 - Trustee Simone, Trustee Arango, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

**Absent:** 2 - Trustee Marrero and Trustee Frankenhauser

EBTF TRUSTEE CHIN-KIDD confirmed that the other retiree was Andrew Armenis who retired on disability and withdrew FRS on June 1, 2017. She said that although she did not agree with it, their plan document excludes applicants that retire based on disability. She said that there also appears to be a small gap between when Mr. Armenis terminated from the City and when he started with his FRS benefit. She was unable to identify whether Mr. Armenis was in the investment plan but based on the fact that he retired on disability, he would not be eligible according to the plan document and she sought confirmation from EBTF Attorney Floyd.

M & F EBTF ATTORNEY, FLOYD confirmed that under the plan document, it did not cover the disability retirement as their definitions mirror the normal retirement for each class of employee.

**A motion was made by Trustee Simone, seconded by Vice Chair Jones, to deny Andrew Armenis, based on the EBTF's plan requirement, should be discussed.**

VICE CHAIR, MICHAEL A. JONES, questioned if it was specifically excluded in the plan document or if it did not authorize us to do so.

M & F EBTF ATTORNEY, FLOYD explained that when they define retired or retirement,

their cut off dates mirror the normal retirement requirements under FRS and that they did not have a definition for any other kind of retirement. He explained that there was no specific prohibition against disability retirement but they did include the definitions for normal retirement and nothing else so under the principle to include one is to exclude all others, they, by definition, have excluded disability. He forewarned that including disability retirements could be expensive, if approved, because somebody could be disabled tomorrow for 13 years of service and then the EBTF would have to pay for the rest of that life.

VICE CHAIR, JONES questioned if they had any data or information for previous applicants that were denied based on disability retirement.

EBTF TRUSTEE CHIN-KIDD, was unaware whether or not any other applicant submitted based on disability retirement and was denied. She looked briefly to see if any of the people currently on the plan were on disability and did not believe there was anyone in the plan that retired on disability.

Discussion ensued.

EBTF TRUSTEE, RONALD N. GANGOO, questioned whether or not you would still qualify after you met the age requirement if you retired and were in the investment plan and you decided to pull the investment all in one.

M & F EBTF ATTORNEY, FLOYD advised that as long as you take an immediate withdrawal even if you have to roll it over to something else, that would meet the FRS retirement criteria.

Discussion ensued.

M & F EBTF ATTORNEY, FLOYD informed that Mr. Armenis was not eligible this year so they could deny for this year and then table it for discussion to allow them to gather those facts and determine whether or not he is, in fact, eligible in, perhaps 2029.

**An amendment was made by Vice Chair Jones, seconded by Secretary Gangoo, to deny Andrew Armenis for this year's eligibility as he did not meet the age criteria and the EBTF board would revisit it once he reaches the age criteria.**

**C. [ID 2023-247](#) MOTION - APPROVING DEATH BENEFIT(S)**

EBTF TRUSTEE CHIN-KIDD confirmed that she was in receipt of a death benefit for Richard C. Holubek.

**A motion was made by Vice Chair Jones, seconded by Trustee Simone, to approve Richard C. Holubek based on the calculations set within their documents. This carried as follows.**

**Yes:** 5 - Trustee Simone, Trustee Arango, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

**Absent:** 2 - Trustee Marrero and Trustee Frankenhauser

EBTF TRUSTEE CHIN-KIDD confirmed that the renewals were going to be approved automatically as they were received.

## 6) DISCUSSION AND POSSIBLE ACTION

A. [ID 2023-244](#) TO PROCEED WITH ACTUARIAL VALUATION FOR 2023 BY FREIMAN LITTLE ACTUARIES, LLC

EBTF TRUSTEE CHIN-KIDD said that Freiman Little Actuaries' (FLA) Partner, Chad M. Little, submitted a fee for \$22,000 compared to \$20,000 for the prior report and he also explained that he underpriced it previously as he actually ended up spending more time than he originally quoted.

**A motion was made by Vice Chair Jones, to move forward this year with Frieman Little Actuaries and on the next fee, to seek quotes from other competitors for comparison. The motion died for a lack of second.**

EBTF TRUSTEE JOANNE C. SIMONE questioned if they had time to get proposals.

M & F EBTF ATTORNEY, FLOYD confirmed that they could get proposals by January.

VICE CHAIR JONES questioned what was their current deadline.

M & F EBTF ATTORNEY, FLOYD, said it really only impacted the City's contribution which typically came in the month of June, but last time, they did not have it completed by May. He suggested that if the EBTF board engaged in January, they could possibly have it available by May but did not want to speak on their behalf. He explained that if they did not have it completed by May, the City would repeat their contribution from last year and if the actuarial required contribution was a little higher, then they would have to make up for it next year which would also be higher.

Discussion ensued.

EBTF TRUSTEE CHIN-KIDD would review other competitors for a quote.

**A motion was made by Vice Chair Jones, seconded by Trustee Simone, to table this for the EBTF meeting on January 25, 2024. This carried by the following vote:**

**Yes:** 5 - Trustee Simone, Trustee Arango, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

**Absent:** 2 - Trustee Marrero and Trustee Frankenhauser

B. [ID 2023-326](#) ENGAGEMENT LETTER FOR MIERZWA & FLOYD, P. A.

EBTF TRUSTEE CHIN-KIDD explained that she found this Item fair and that the EBTF board had not received any increases in a while.

**A motion was made by Trustee Simone, seconded by Vice Chair Jones, to approve Mierzwa & Floyd, P. A.'s engagement letter. This carried by the following vote.**

**Yes:** 5 - Trustee Simone, Trustee Arango, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

**Absent:** 2 - Trustee Marrero and Trustee Frankenhauser

## **7) REPORT FROM ATTORNEY**

There was no Attorney report.

## **8) REPORT FROM TRUSTEES**

There was no Trustee reports.

## **9) OTHER BUSINESS**

VICE CHAIR JONES questioned if it was okay to contact Human Resources (HR) to establish who was the youngest person in our payroll who was eligible for the benefits in the City.

EBTF TRUSTEE CHIN-KIDD advised that she received a listing from HR which she fine tuned and updated. She said that she would send the updated list to Vice Chair Jones as it was a closed plan and that she would also send the list of the applicants received as of this date.

EBTF CLERK, SALENE E. EDWARDS, questioned whether they were in receipt of Ryan McCarthy's application.

EBTF TRUSTEE CHIN-KIDD confirmed that Mr. McCarthy's application was received.

VICE CHAIR JONES questioned how could they make the update in the plan document where it was not a matter of interpretation. He said that he wanted to be a good steward of EBTF but he also wanted to remain fair and do the right thing.

M & F EBTF ATTORNEY, FLOYD advised that the way to add clarity to the plan document was to add language to the section on separation of employment to make clear that eligibility for a benefit payment would be when they would have otherwise met the definitions for normal retirement in their particular class.

Discussion ensued.

M & F EBTF ATTORNEY, FLOYD said by waiting until a special risk employee turns 55 or a general employee turns 62, they were not going to have an impact to the fund as the actuaries were assuming that they were going to make it to the end of their career and collect the benefit from the fund. He explained that since the fund assumed that they would be in the pool and by waiting until then to make the payment, the EBTF would be paying the benefits that were already assumed and there would be no additional cost. He advised that now would be the time if they wanted to make the change to clarify the plan document and to make that the practice as they could execute that amendment at the January meeting and for when the actuary does the study.

CONSENSUS was given by the EBTF board for M & F EBTF Attorney, Floyd, to amend the document and present a draft at the January meeting for their consideration to then execute it and forward it to the actuary.

EBTF TRUSTEE CHIN-KIDD would review previous applications to see if they denied anyone under disability as she believed that she may have seen at least one occurrence.

Discussion ensued.

M & F EBTF ATTORNEY, FLOYD, questioned if EBTF Trustee Chin-Kidd wanted to discuss their \$315,000 cash needs.

EBTF TRUSTEE CHIN-KIDD previously indicated that it would be a little over \$300,000.

Discussion ensued.

## ADJOURNMENT

There being no further business, the meeting adjourned at 3:53pm.

Respectfully submitted,

Transcribed by Salene E. Edwards

\_\_\_\_\_  
Ronald N. Gangoo, Secretary

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 City of Margate Boards may be in attendance and may participate at the meeting.