



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
Michael A. Jones, Vice Chair
Ronald N. Gangoo, Secretary
Alberto Arango, Trustee
Paul Frankenhauser, Trustee
Lori Hofer, Trustee
Joanne Simone, Trustee

Thursday, April 25, 2024

2:30 PM

Commission Chambers

CALL TO ORDER

ROLL CALL

Present: 7 - Trustee Joanne Simone, Trustee Lori Hofer, Trustee Paul Frankenhauser, Trustee Alberto Arango, Secretary Ronald N. Gangoo, Vice Chair Michael Jones and Chair Jacqueline Chin-Kidd

There was no Public Discussion.

1) MINUTES

A. [ID 2024-085](#) MOTION - APPROVING MINUTES DATED NOVEMBER 2, 2023 AND JANUARY 25, 2024

A motion was made by Trustee Simone, seconded by Vice Chair Jones, that the Minutes dated November 2, 2023 and January 25, 2024 should be approved. This carried as follows:

Yes: 7 - Trustee Simone, Trustee Hofer, Trustee Frankenhauser, Trustee Arango, Secretary Gangoo, Vice Chair Jones and Chair Chin-Kidd

2) PRESENTATION

A. [ID 2024-086](#) INVESTMENT MANAGEMENT PERFORMANCE UPDATE FROM GRAYSTONE CONSULTING

GRAYSTONE CONSULTING (GC), SENIOR VICE PRESIDENT, DAVID A. WHEELER provided the Quarterly Performance Summary and discussed the economy, investment managers and highlighted whether they saw potential risks. He then went through the numbers and said that this quarter was pretty good, since the fund was up 9% and above the EBTF's benchmark with lower risk. He advised that over the next 12 to 24 months, they would have to look at EBTF's Investment Policy Statement (IPS), asset allocations and the actuarial rate as they begin to reduce the board's expectations. He advised that they needed to reduce fund's volatility by increased allocations to fixed income and become more conservative with investments as the Plan moves more into distribution mode. He referenced the updated values and recommending that they:

- Remove \$15,000 from Invesco Common stock;
- Reduce Chartwell by \$20,000;
- Add \$20,000 to Congress;
- Remove \$10,000 from Precious metals and;
- Add \$25,000 to EBTF's Disbursement Account which would result with \$110,000 being added to this account.

GC SENIOR VICE PRESIDENT, WHEELER, explained that there would be another \$90,000 of income coming in between now and when they take the next distribution which he expected in January 2025. He said that if it was \$300,000, they would only have to be concerned with raising another \$100,000 within the next nine months so they had time to weather volatility. He repeated that it was a good quarter and stated that either he or TJ would return for the second quarter in a couple of months. He sought approval to make the allocation changes.

A motion was made by Vice Chair Jones, seconded by Trustee Frankenhauser, to:

- **Remove \$15,000 from Invesco common stock;**
- **Reduce Chartwell by \$20,000;**
- **Add \$20,000 to Congress;**
- **Remove \$10,000 from Precious metals and;**
- **Add \$25,000 to EBTF's Disbursement Account which would result with \$110,000 being added to this account.**

This carried as follows:

Yes: 7 - Trustee Simone, Trustee Hofer, Trustee Frankenhauser, Trustee Arango, Secretary Gangoo, Vice Chair Jones and Chair Chin-Kidd

GC SENIOR VICE PRESIDENT, WHEELER, thanked EBTF for their business and their trust and recapped of his recommendations:

- Raising cash from Invesco Common Stock of \$15,000;
- Raising cash from Chartwell Mid Cap Value of \$20,000;
- Raising cash from Precious metal Gold of \$10,000;
- Adding to Congress Mid Cap growth, \$20,000 and;
- Adding \$25,000 to the EBTF Disbursement Account.

3) INVOICES

A. [ID 2024-087](#) INVOICES PROCESSED SINCE THE LAST EBTF MEETING

EBTF Chair Chin-Kidd read out the two invoices received:

- \$ 250.00 Kabat, Schertzer, De La Torre, Tarboulos & Co., LLC (KSDT) and;
- \$1,127.52 Mierzwa & Floyd, P. A. (M & F).

A motion was made by Vice Chair Jones, seconded by Trustee Simone, to approve the two invoices as listed by Chair Chin-Kidd.

Yes: 7 - Trustee Simone, Trustee Hofer, Trustee Frankenhauser, Trustee Arango, Secretary Gangoo, Vice Chair Jones and Chair Chin-Kidd

4) APPROVAL OF BENEFITS

EBTF CHAIR CHIN-KIDD advised that she received a late application from Charles Wohlitka dated February 19th, 2024 for his renewal and said that he also did not submit one last year. She explained that Mr. Wohlitka had a misunderstanding and thought he would no longer be eligible once he collected Medicare and she indicated that upon him speaking to other retirees, he learned that he should have been applying yearly.

A motion was made by Trustee Arango, seconded by Trustee Frankenhauser, to accept Charles Wohlitka's application and pay him one year retro from the date of the application.

EBTF TRUSTEE, ALBERTO ARANGO, explained that retiree, Charles Wohlitka, contacted him through email where he also contacted EBTF Chin-Kidd and that he had a government correspondence flaw where he was not receiving his emails or United States Postal Service mail and he lost track. He said that the EBTF could only go back one year.

EBTF TRUSTEE, CHIN-KIDD, said that Retiree Wohlitka, submitted the application on February 19 and questioned EBTF Attorney Floyd if they were supposed to go back 10 or 11 months for the prior year.

MIERZWA & FLOYD (M & F), P.A. AND EMPLOYMENT BENEFIT TRUST FUND (EBTF) ATTORNEY, MARK W. FLOYD said that if Retiree Wohlitka, submitted on February 19, he should receive retro back to March 1, 2023 through to February 2024, which would be one year based on the application date and then he should be entitled to the remainder of 2024 which was always the first month after submission.

This carried by the following vote:

Yes: 7 - Trustee Simone, Trustee Hofer, Trustee Frankenhauser, Trustee Arango, Secretary Gangoo, Vice Chair Jones and Chair Chin-Kidd

EBTF TRUSTEE, CHIN-KIDD, received a letter from Attorney, Tobin Law Group, PLLC, representing former Margate Fire Department employees, Chris Martinetti and Andrew Armenis, both of which submitted an application for the 2024 benefit. She explained that neither of them received a benefit for 2024.

M & F EBTF ATTORNEY, FLOYD questioned whether we knew their retirement status and whether they retired due to a disability.

EBTF TRUSTEE, CHIN-KIDD, said that she could check with HR for additional information, but she did not have access to the Florida Retirement System (FRS) and could not confirm that Mr. Armenis was listed twice and was unsure of the interpretation. She informed that one had a status of 65% disability for when he separated from the City in June 2017 but it was listed as "closed". She advised that he had a second status where it says FRS effective March 2021 which would have been three years later where it had a regular retirement. She said that she tried to contact a Human Resources (HR) representative to receive some form of explanation but she was unable to clarify that prior to the meeting. She stated that either way, he was not age eligible when the EBTF board originally reviewed his application and it was determined that they would table it until he was age eligible where they would look into it further. She referred to Mr. Christopher Martinetti and stated that based on his application, he listed his termination date as June 11, 2021 and his FRS proof, which was included with his application, stated July 2022 as his retirement date. She said that based on that alone, he would have been denied and the EBTF board did not approve his application.

M & F EBTF ATTORNEY, FLOYD indicated that he was clear on Mr. Martinetti's situation where he stood by the board's decision because it complied with the plan document which the board always held that retired or retirement means that there has to be a direct and approximate relationship between your separation from the City and receipt of an FRS benefit. He explained that Mr. Armenis may still yet become eligible for benefits where they would have to establish additional information but Mr. Martinetti was clearly not. He also questioned if the EBTF board knew the reasons for their departures.

EBTF TRUSTEE CHIN-KIDD requested that EBTF Attorney Floyd draft a response for each applicant and address the specific questions that was contained in the letter. She pointed out that the letter inaccurately claimed that the employee contributed to the fund and also that they received no notifications regarding the benefit. She stated that the benefit was included in the union contracts and that her understanding with HR was that if the retiree submits their FRS paperwork, then they would have been given a retirement package which included information about their eligibility for health insurance and about the EBTF. She concurred with EBTF Attorney Floyd regarding Christopher Martinetti that he was not qualified and said that she would find out the reason for the two former Fire Department employees departure and forward it to EBTF Attorney Floyd. She explained that the EBTF board previously voted on both of those applicants and therefore, they did not need to make any further motions.

M & F EBTF ATTORNEY, FLOYD confirmed that he would be more than happy to respond to the attorney letter on behalf of the EBTF.

5) REPORT FROM ATTORNEY

M & F EBTF ATTORNEY, FLOYD, distributed a draft revision of the Plan Document where he incorporated proposed amendments which included some of which were previously considered and approved by the EBTF board and some were added in order to codify what the plan had always done or make it more clear. He explained that he revised and restated the entire Plan Document where some of the changes being incorporated had already been adopted separately by the board. He advised that there was an amendment to the first restated document and that the board had already voted to adopt the amendment to include a benefit for disability retirement and he had a few other recommendations to add clarity and incorporate the inclusion of the previously approved dispatchers that were transferred to Broward County. He walked through the Plan Document and outlined the changes he had made which included:

- Removal of outdated references to dates that were only relevant at the time of implementation of the plan;
- Extension of time for submission of claim for death benefits;
- Update the language to include "credit account" and the spending card as an added benefit;
- Change wording from "entitled" to "eligible to receive" to be consistent with the annual application process;
- Increase the response time required from the EBTF board to be consistent with the quarterly meeting of the board;
- Updated language throughout the document to include the added deferred benefits for dispatchers;
- Incorporate previously approved amendments in a restated Plan Document and;
- Update wording for more clarity, such as changing from "up to" to "no more than."

M & F EBTF ATTORNEY, FLOYD suggested that the EBTF board could either read through it and discuss any further changes where he could bring back a revised version at the next EBTF meeting or motion to approve it at today's EBTF meeting. He requested that any further amendments should be emailed to him directly before the next EBTF meeting without being copied to Chair Chin-Kidd to avoid discussion of the items that may come before the board prior to the meeting.

EBTF CHAIR, CHIN-KIDD, said that currently, the only change she could see was in the amount of the benefit as she wanted to make it clear that it was 25 years of continuous service with the City of Margate and she proposed that they add the word "continuous" next to service and specify "with the City of Margate" as they did have the Dispatchers that went to Broward County and the years of service with Broward County would not count in that calculation.

M & F EBTF ATTORNEY, FLOYD confirmed with EBTF Chin-Kidd that they could do it but explained that the appropriate word would be "cumulative" not continuous.

Discussion ensued including the City's firefighters that transferred to Coconut Creek.

EBTF TRUSTEE, JOANNE C. SIMONE, questioned a matter referring to the letter from Tobin Law Group, PLLC.

M & F EBTF ATTORNEY, FLOYD responded to EBTF's Trustee Simone's comments and stated that the sentence was extracted and taken out of context, where the following sentence states that no more than 12 months will be paid although the previous sentence says the application can be submitted at anytime after retirement.

Discussion ensued regarding changes to the wording on the Benefit Application.

EBTF TRUSTEE, PAUL FRANKENHAUSER, questioned why Mr. Martinetti (presumably Christopher Martinetti) was not eligible for EBTF.

M & F EBTF ATTORNEY, FLOYD, explained that the person had 20 years of service at the City, that he separated from the City in June 2021 but did not retire. He said that he began collecting his benefit in July 2022 which meant that when he left Margate, he did not enter into retirement, as defined in the plan document.

Discussion ensued including scenarios about employees separating from the City and not retiring or collecting an FRS benefit within the fixed period as required in the EBTF

Plan Document and regarding the two former firefighters.

VICE CHAIR, MICHAEL A. JONES, stated that if you were a special risk, you could put in 25 years of service, leave the City and collect your FRS and get another employment from a non-FRS employer and then questioned whether you would still be eligible.

EBTF TRUSTEE, PAUL FRANKENHAUSER, said that the hiccup was that there were many employees, regular and special risk that leave an FRS employer, go to another FRS employer prior to retiring and they would not be able to collect so it threw this harangue if somebody was employed 25 to 30 years and then suddenly they were not eligible.

EBTF CHAIR CHIN-KIDD indicated that if the employee did not do the DROP, you would only have to stay out for one month and then you could start with another FRS employer but the only penalty would be that they suspend your benefit for the rest of the year and then they restart it after the year was up. She explained that what FRS prevents you from doing was to work for another FRS employer after you completed the DROP without waiting six months after retirement, and as a penalty FRS would negate your drop which was the big issue. She also suggested to confirm the information she provided with FRS.

Discussion ensued.

6) REPORT FROM TRUSTEES

EBTF VICE CHAIR JONES referenced the former employees' attorney letter, Tobin Law Group, PLLC, alleging that they were not informed. He knew that they were informed through recent colleagues retiring and that he had reviewed the documents that retirees had received and the EBTF information was all there.

EBTF CHAIR CHIN-KIDD said that it was also on the union contracts and the form was also available on the City's website.

M & F EBTF ATTORNEY, FLOYD said that as soon as he saw that, it confirmed to him that they did not retire upon separation from the City, which explains why they did not receive a packet from the City.

7) OTHER BUSINESS

EBTF CHAIR, CHIN-KIDD, forwarded some information to actuarial, Foster & Foster and anticipated not receiving anything before mid-June 2024.

8) SCHEDULE NEXT MEETING

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

9) DISCUSSION AND POSSIBLE ACTION

EBTF CHAIR, CHIN-KIDD, recalled at the last EBTF meeting, a discussion took place on who was the youngest employee that would be eligible to for the trust and Kyle Woolley, who was born in 1986 and a Nicholas A. Maragh, that was also born at the end of 1986 were identified and that they had approximately 34 people born in the 1980s that were still actively working for the City that could possibly become eligible for this benefit.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:49pm.

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.