



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, Trustee
Paul Frankenhauser, Trustee
Lori Marrero, Trustee
Todd Sherman, Trustee
Joanne Simone, Trustee

Thursday, January 26, 2023

14:30

Commission Chambers

CALL TO ORDER

ROLL CALL

Present: 6 - Trustee Joanne Simone, Trustee Todd Sherman, Trustee Paul Frankenhauser, Trustee Ronald N. Gangoo, Vice Chair Michael Jones and Chair Jacqueline Chin-Kidd

Absent: 1 - Trustee Lori Marrero

1) PUBLIC DISCUSSION

There was no Public Discussion.

2) MINUTES

[ID 2022-493](#) MOTION - APPROVING MINUTES DATED JULY 28, 2022

A motion was made by Vice Chair Jones, seconded by Trustee Simone, that this Item be approved. This carried as follows:

Yes: 6 - Trustee Simone, Trustee Sherman, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 1 - Trustee Marrero

4) DISCUSSION AND POSSIBLE ACTION

Item 4) A. was heard before Item 3) A.

A. [ID 2022-499](#) MOTION - TO ACCEPT AUDITED FINANCIAL STATEMENTS

KABAT, SCHERTZER, DE LA TORRE, TARBOULOS & CO., LLC (KSDT) PARTNER, ERIC J. LEVENTHAL, provided draft copies of the financial statements and he did not anticipate there would be any changes but explained that it was not considered final until approved by the Employee Benefit Trust Fund (EBTF) board. He advised that once this was approved, he would work with Ms. Edwards and get bound PDF copies made if necessary. He read through the auditor's report for the Fiscal Year ending May 31, 2022

and explained that they were issuing an “unmodified opinion.” He noted that the net assets available for benefits was approximately \$5,632,000. He identified an investment loss during the year of approximately \$485,000. He informed that in addition to that reduction, there was money going out which came in two buckets; the first being the benefits that were paid out to the participants in the fund which was approximately \$312,000 with a \$18,000 increase over the prior year which was expected since they had more participants in the EBTF in comparison to 2021. He said that the administrative expenses increased to \$22,000 which included an actuarial fee of \$20,000. He asked if there were any questions.

VICE CHAIR, MICHAEL A. JONES, referenced the taxes being tenfold as it went from \$450 to \$4,400.

KSDT PARTNER LEVENTHAL advised that the increase was related to foreign taxes.

EBTF CHAIR JACQUELINE CHIN-KIDD recalled that issue arose in the past which was usually a one-off.

Discussion ensued.

KSDT PARTNER LEVENTHAL referenced page 4 where he concluded his presentation on the report and asked if there were any questions.

A motion was made by Trustee Simone, seconded by Vice Chair Jones, to accept the Audited Financial Statements for EBTF. This carried by the following vote:

Yes: 6 - Trustee Simone, Trustee Sherman, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 1 - Trustee Marrero

KSDT PARTNER LEVENTHAL repeated that they would issue a final PDF and that he would work with Ms. Edwards. He said that they also provided a Management Representation letter for the Chair to sign.

EBTF CHAIR CHIN-KIDD questioned whether she could email Mr. Leventhal as she did not bring the letter to the meeting.

MIERZWA & FLOYD, P.A. AND EMPLOYMENT BENEFIT TRUST FUND (EBTF) ATTORNEY, MARK W. FLOYD, provided advice on a second motion.

A motion was made by Vice Chair Jones, seconded by Trustee Simone, authorizing the Chair to sign the representation letter. This carried as follows:

Yes: 6 - Trustee Simone, Trustee Sherman, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 1 - Trustee Marrero

KSDT PARTNER LEVENTHAL repeated that when the letter was duly endorsed, this should be scanned and emailed or mailed to him. He thanked the EBTF board for accommodating him.

3) PRESENTATION

Item 2) A) was heard after 4A).

A. [ID 2022-494](#) INVESTMENT MANAGEMENT PERFORMANCE UPDATE FROM GRAYSTONE CONSULTING

GRAYSTONE CONSULTING (GC), SENIOR VICE PRESIDENT, DAVID A. WHEELER, distributed the Quarterly Performance Summary and Investment Manager Comparison reports to the Trustees. He gave a presentation referencing the Quarterly Performance Summary and highlighted areas of importance during the calendar year. He informed that it was not a bad fourth quarter. He explained that at a future EBTF meeting, they would advise on an Investment Policy Statement (IPS) revision to take into effect that the EBTF was in a withdrawal mode, that they want to get more conservative and that it would be easier to do that as they were receiving a lot more returns in terms of fixed income. He also discussed the Investment Manager Comparison. He said that probably, they may also suggest a midcap manager and splitting this category and looking at other ways to reduce the volatility in the portfolios and move forward in time. He advised that he had looked at their asset allocations and there was nothing that he wanted to change right now. He questioned whether EBTF typically withdrew money once per year.

EBTF CHAIR CHIN-KIDD advised that January was their big payout with a total of \$302,332.80 and that they should have enough to cover for the rest of the year. She indicated that they were expecting further invoices and the City had been paying EBTF the annual amount which was required to be paid by the end of June. She suggested putting in another \$10,000 into the EBTF account.

Discussion ensued.

GC, SENIOR VICE PRESIDENT, WHEELER, advised that EBTF was receiving on average, an approximate figure of \$10,000 per month from dividends and interest.

EBTF CHAIR CHIN-KIDD indicated that the amount should be good.

GC, SENIOR VICE PRESIDENT, WHEELER, said that he would be looking at raising cash for the next meeting in preparation for a \$300,000 - \$400,000 distribution and take advantage of market opportunities whenever possible. He thanked EBTF for their business.

10) SCHEDULE NEXT MEETING

Item 10) was heard before Item 4).

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY FLOYD said that typically, they would go through to June for the next EBTF meeting.

Discussion ensued.

GC, SENIOR VICE PRESIDENT WHEELER suggested to meet in April as that would be a good time to raise cash and noted that the City's contribution was not going to be invested.

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY FLOYD, confirmed that Thursdays, April 27 and July 27, 2023, would be the next two EBTF meetings.

4) DISCUSSION AND POSSIBLE ACTION CONTINUED

B. [ID 2022-503](#) MOTION - AMENDMENT TO PLAN DOCUMENTS

EBTF CHAIR CHIN-KIDD advised that at the last EBTF meeting, they discussed some amendments and asked if there were any updates.

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY FLOYD stated that they executed the amendment at the last EBTF meeting and no additional action was required by the board.

Discussion ensued.

C. [ID 2022-498](#) MOTION - ADDITION OF AUTHORIZED SIGNER FOR EBTF'S INVESTMENT ACCOUNT

EBTF CHAIR CHIN-KIDD advised that with the departure of former EBTF Secretary DiNatale, they wanted to add another signer since currently, it was just herself and Vice Chair Jones. She asked if anyone wanted to take the position.

Discussion ensued.

EBTF TRUSTEE TODD SHERMAN volunteered to be a signer.

EBTF CHAIR CHIN-KIDD forewarned that he would need to provide some personal information for completion of a form.

EBTF TRUSTEE, PAUL FRANKENHAUSER, also volunteered to be a signer.

Discussion ensued on the paperwork the two EBTF Trustees would have to complete and sign.

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY FLOYD, advised that they would need to make a motion to add these two signers.

A motion was made by Vice Chair Jones, seconded by Trustee Simone, to add Trustee Frankenhauser and Trustee Sherman to be additional signers on EBTF's Investment account along with Chair Chin-Kidd and Vice Chair Jones. This carried as follows:

Yes: 6 - Trustee Simone, Trustee Sherman, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 1 - Trustee Marrero

D. [ID 2023-002](#) MOTION - SELECTING A NEW EBTF SECRETARY

EBTF CHAIR CHIN-KIDD explained that as former EBTF Secretary DiNatale, stepped down from the board last December, they had a vacant position for Secretary and would take a nomination for the same.

EBTF TRUSTEE RONALD N. GANGOO volunteered to be Secretary to EBTF.

A motion was made by Trustee Gangoo, seconded by Trustee Simone, to nominate Trustee Gangoo, as EBTF Secretary. This carried as follows:

Yes: 6 - Trustee Simone, Trustee Sherman, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 1 - Trustee Marrero

5) INVOICES

A. [ID 2022-495](#) INVOICES PROCESSED SINCE THE LAST EBTF MEETING

EBTF CHAIR CHIN-KIDD advised that she was in receipt of two invoices which was for Professional Tax & Accounting Solutions Inc. for \$3,300 and KSDT, for \$1,250, as a progress payment.

A motion was made by Vice Chair Jones, seconded by Trustee Sherman, to approve the two invoices from the accountant and KSDT. This carried as follows:

Yes: 6 - Trustee Simone, Trustee Sherman, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 1 - Trustee Marrero

6) APPROVAL OF BENEFITS

A. [ID 2022-496](#) MOTION - APPROVEMENT OF BENEFIT APPLICATIONS FOR 2023 BENEFIT PAYMENTS

EBTF CHAIR CHIN-KIDD explained that Items 6) A. and 6) B. were combined. She provided the board members with a listing of all payments that were being processed. She informed that the listing was previously approved and that no additional approval was needed. She advised that the updated amount was \$302,332.80 which would be distributed to members by the end of the month.

B. [ID 2022-497](#) MOTION - APPROVAL OF ONE-TIME LUMP SUM BENEFICIARY PAYMENT (DEATH BENEFIT)

For Kenneth Gilbert \$1,180; please refer to 6) B.

7) REPORT FROM ATTORNEY

MIERZWA & FLOYD, P.A. AND EBTF ATTORNEY FLOYD had nothing additional to report.

8) REPORT FROM TRUSTEES

There was nothing to report from the Trustees.

9) OTHER BUSINESS

There was no other business.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:36pm.

Respectfully submitted,

Transcribed by Salene E. Edwards

Jacqueline Chin-Kidd, Chair

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.