



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 Hofer, Trustee
Joanne Simone, Trustee

Thursday, December 12, 2024

2:30 PM

Commission Chambers

CALL TO ORDER

ROLL CALL

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

1) PUBLIC DISCUSSION

There was no Public Discussion.

2) PRESENTATION

A. [ID 2024-336](#) INVESTMENT MANAGEMENT PERFORMANCE UPDATE FROM GRAYSTONE CONSULTING

GRAYSTONE CONSULTING (GC), SENIOR VICE PRESIDENT, DAVID A. WHEELER introduced his colleague, Financial Advisor, Theodore J. Loew and advised that he would be presenting the report at the next Employee Benefit Trust Fund (EBTF) meeting. He informed that he had good news to share while providing explanatory details pertaining to the Quarterly Performance Summary and the economy. He referenced that last September, the feds started cutting rates due to the trend inflation which had started to decrease to their target of 2% which was still not quite where they wanted to be but the he expected to see a rate cut within the next week. He advised that with bonds at 5% return and stocks at 5.5% return, bonds were more desirable since they offered lower volatility and less stress on their actuarial valuation report. He explained that based on the current trend to withdraw \$300,000 - \$325,000 per year, there would be no money left in the plan from previous contributions and in three years the plan would be working off the growth of their investments. He referenced page 36 and said that currently, the portfolio was at \$6,848,281 which was significantly above the amount in their actuarial valuation report and they were up by \$260,000 from their investment balance of \$6,586,000 at the end of September. He recommended:

- \$25,000 – Withdraw from Chartwell Mid Cap Value
- 25,000 – Withdraw from D F Dent – Small-Mid (SMID) Growth
- 25,000 – Withdraw from Systematic – Small Cap Value
- + 25,000 – Add to Western – Core Bond

- 25,000 – Withdraw Principal – Real Estate Investment Trusts (REIT)
- + 75,000 – Add to the Deposit Disbursement Account

He said that the above figures would give EBTF a balance of approximately \$250,000 where they would anticipate some interest such as incoming dividends totaling approximately \$300,000 in January and be ready to handle the expected distribution.

EBTF CHAIR, JACQUELINE CHIN-KIDD, anticipated that it would be more than \$300,000 and currently, the figures totaled \$313,000.

GC, SENIOR VICE PRESIDENT, WHEELER, informed that it would be pretty easy to come up with \$25,000 out of any of the portfolios and questioned whether it would be early or late January.

Discussion ensued.

A motion was made by EBTF Chair Jones, seconded by Trustee Frankenhauser, to move the funds as described by Graystone Consulting Vice President, Wheeler:

- \$25,000 – Withdraw from Chartwell Mid Cap Value**
- 25,000 – Withdraw from D F Dent – Small-Mid (SMID) Growth**
- 25,000 – Withdraw from Systematic – Small Cap Value**
- 25,000 – Withdraw Principal – REIT**
- + 25,000 – Add to Western – Core Bond**
- + 75,000 – Add to the Deposit Disbursement Account**

This carried by the following vote:

Yes: 5 - Trustee Hofer, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 2 - Trustee Simone and Trustee Arango

3) SCHEDULE NEXT MEETING

The EBTF Board agreed with the date proposed by M & F, P.A. AND EBTF Attorney Floyd for the next meeting scheduled for Tuesday, January 14, 2025 at 2:30pm.

4) INVOICES

A. [ID 2024-349](#) INVOICES PROCESSED SINCE THE LAST EBTF MEETING

EBTF CHAIR CHIN-KIDD referenced invoices attached to the agenda for approval:

- \$3,600.00 - Professional Tax & Accounting Solutions, Inc.;
- 7,500.00 - KSDT CPA (a total of four invoices);
- 4,785.00 - Foster & Foster Actuaries and Consultants and;
- 3,078.40 - Anchor Benefit Consulting (ABC).

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

approve all invoices as listed:

\$3,600.00 - Professional Tax & Accounting Solutions, Inc.;
7,500.00 - KSDT CPA (a total of four invoices)
4,785.00 - Foster & Foster Actuaries and Consultants
3,078.40 - Anchor Benefit Consulting (ABC)

This carried as follows:

Yes: 5 - Trustee Hofer, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 2 - Trustee Simone and Trustee Arango

5) APPROVAL OF BENEFITS

A. [ID 2024-337](#) MOTION - APPROVAL OF RENEWALS

EBTF CHAIR, CHIN-KIDD, distributed a listing to everyone of the renewals and the new applicants with a preliminary total of \$312,804. She advised that the new applicants totaled \$18,017.80 for 2025 with a retroactive total for both 2024 and 2025 of \$31,873.

A motion was made by EBTF Chair Jones, seconded by EBTF Trustee Frankenhauser, to approve all the renewals listed on the schedule for \$312,804 with the exception of the new applicants. This carried as follows:

Yes: 5 - Trustee Hofer, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 2 - Trustee Simone and Trustee Arango

B. [ID 2024-338](#) MOTION - APPROVAL OF NEW APPLICANTS

EBTF CHAIR, CHIN-KIDD, read out the list for the new applicants that met all the requirements and the new applicants that had additional requirements:

Beth Bogdan who was less than 62 years of age and under 30 years of service. She explained that she was one of the deferred benefits for the Communications specialist that were transferred from Margate to Broward County and the board voted to still allow them the benefit but currently, she did not meet all the requirements.

Jacques Cherilus - Had missing proof of the Florida Retirement System (FRS) and he did not have the insurance amount.

EBTF VICE CHAIR, MICHAEL A. JONES, queried whether the first check shown would not be proof of their Florida Retirement System (FRS).

EBTF CHAIR, CHIN-KIDD, explained that she had access to the FRS data and was able to verify the information but indicated that the document was required to be provided as proof with the application. She informed that although Mr. Cherilus completed the application, he did not provide any proof with his application that he had FRS.

A motion was made by EBTF Vice Chair Jones, seconded by EBTF Trustee Hofer, to approve Jacques Cherilus pending receipt of proper documentation. This carried as follows:

Yes: 5 - Trustee Hofer, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 2 - Trustee Simone and Trustee Arango

Paul Christmas - Had all the required documentation and that he was on the City's health plan.

A motion was made by EBTF Trustee, Frankenhauser, seconded by EBTF Trustee Hofer, to approve applicant, Paul Christman.

EBTF VICE CHAIR, JONES, advised if EBTF Chair Chin-Kidd could read all the names of the applicants who were eligible and then those that had queries could discuss separately by the EBTF board.

Discussion ensued.

EBTF Trustees Frankenhauser and Hofer withdrew their motion.

EBTF CHAIR, CHIN-KIDD, read the following New Retiree listing for approval and said that those mentioned had all the required documentation and/or was on the City's health plan:

Paul Christman
Craig A. Davis
Julio O. Fernandez
Maurince Hankel
Dennis Horrigan
Jamie Lombardo
Linda McNamara
Jefferson T. Scheurmann
Scott St. Pierre

A motion was made by EBTF Trustee Hofer, seconded by EBTF Trustee Frankenhauser, to prove the following New Retiree Employees:

Paul Christman
Craig A. Davis
Julio O. Fernandez
Maurince Hankel
Dennis Horrigan
Jamie Lombardo
Linda McNamara
Jefferson T. Scheurmann
Scott St. Pierre

This carried as follows:

Yes: 5 - Trustee Hofer, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 2 - Trustee Simone and Trustee Arango

EBTF CHAIR, CHIN-KIDD, advised that Joy Downey was not 55 and she did not have 25 years of service in the Fire Department. She explained that Ms. Downey would turn 55 in November 2025 and questioned EBTF Attorney Floyd whether they should issue Ms Downey a check for one month or wait until next year since she was not currently eligible.

MIERZWA & FLOYD (M & F), P.A. AND EMPLOYMENT BENEFIT TRUST FUND (EBTF) ATTORNEY, MARK W. FLOYD, advised that they should wait until next year where she would receive 13 months.

A motion was made by EBTF Chair, Jones, seconded by EBTF Trustee, Frankenhauser, to deny applicant, Joy Downey, until she was eligible in the next application period. This carried by the following vote:

Yes: 5 - Trustee Hofer, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 2 - Trustee Simone and Trustee Arango

EBTF CHAIR, CHIN-KIDD, informed that former Chief of Police, Joseph Galaska, was on the City's health plan and did not require proof of medical insurance but would need to produce a copy of his FRS proof of payment. She explained that she was able to look up Mr. Galaska's information and verify that he was in the FRS investment plan.

A motion was made by EBTF Vice Chair Jones, seconded by EBTF Secretary, Gangoo, to approve Joseph Galaska's application pending verification of proof of FRS draw down from his investment plant. This carried by the following vote:

Yes: 4 - Trustee Hofer, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 2 - Trustee Simone and Trustee Arango

Abstain: 1 - Trustee Frankenhauser

EBTF CHAIR, CHIN-KIDD, referenced Ovando Richards and advised that although he appeared eligible, he was missing his FRS and proof of insurance payment.

EBTF VICE CHAIR JONES queried that the list that the Trustees were in receipt of were the applications received and not necessarily all eligible retirees.

EBTF CHAIR CHIN-KIDD explained that the list contained actual new applicants that were submitted and said that when employees go into the drop, they mark them as 'retired' and Mr. Richards had a retirement date of January 1, 2020. She said that she could not verify his termination date together with those highlighted in yellow as the City had not updated HTE.

Discussion ensued.

A motion was made by Vice Chair Jones, seconded by Trustee Hofer, to approve Ovando Richards pending receipt of the required documentation. This carried by the following vote:

Yes: 5 - Trustee Hofer, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 2 - Trustee Simone and Trustee Arango

C. [ID 2024-339](#) MOTION - APPROVAL OF DEATH BENEFIT(S)

EBTF CHAIR CHIN-KIDD was in receipt of a death certificate from Cherrel Thayer who passed away on August 3, 2024. She explained that his normal payment was \$1,089.60 and calculated the seven month beneficiary payment as \$635.60.

A motion was made by Vice Chair Jones, seconded by EBTF Trustee Hofer, to approve the death beneficiary payment of Cherrel Thayer for \$635.60. This carried as follows:

Yes: 5 - Trustee Hofer, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 2 - Trustee Simone and Trustee Arango

6) DISCUSSION AND POSSIBLE ACTION

A. [ID 2024-341](#) ACTUARIAL UPDATE

EBTF CHAIR, CHIN-KIDD, explained that at the last EBTF meeting, they received an actuarial report and it was for an annual amount of \$236,406. She said that EBTF's investments increased since the look back date of the actuarial report and they requested

an update from Foster & Foster as they knew that their number was unnecessarily high which was updated to \$73,982 using more current financial data.

A motion was made by EBTF Vice Chair, Jones, seconded by EBTF Trustee, Frankenhauser, to accept the new update to submit to the City for next year's payment.

EBTF TRUSTEE, PAUL FRANKENHAUSER, questioned Mr. Wheeler as to whether EBTF was going to be broke in three years time.

GC, SENIOR VICE PRESIDENT, DAVID A. WHEELER, explained that it was not.

Discussion ensued.

The motion carried by the following vote:

Yes: 5 - Trustee Hofer, Trustee Frankenhauser, Trustee Gangoo, Vice Chair Jones and Chair Chin-Kidd

Absent: 2 - Trustee Simone and Trustee Arango

7) REPORT FROM ATTORNEY

There was no report from the EBTF attorney.

8) REPORT FROM TRUSTEES

There were no reports from the Trustees.

9) OTHER BUSINESS

EBTF VICE CHAIR, JONES, questioned if EBTF had ever increased the payout for the eligible members and if so, when was the last time they did so.

EBTF CHAIR, CHIN-KIDD, explained that as far as she was aware, there was no increase.

EBTF TRUSTEE, FRANKENHAUSER, did not believe that the EBTF payment had ever been increased and thought it had been the same amount since its inception. He questioned how they would deal with the change in the FRS retirement statute in terms of being able to retire from an FRS employer today, go to another FRS employer tomorrow and have to wait six months to start collecting your FRS benefit and suggested that it needed to be addressed in the EBTF policy.

M & F EBTF ATTORNEY, FLOYD, explained that the time period layout for suspension of benefit has varied over the years and that they had always been able to do that in one form or another.

Discussion ensued on the FRS changes.

EBTF VICE, CHAIR JONES, said that EBTF's current policy was accurate as you had to collect within 12 months. He suggested that the EBTF board should consider whether it was time to put any adjustments or incrementals in place as the payment had not increased in 24 years and the cost of living and healthcare had upticked as the objective was to assist the Retirees.

EBTF CHAIR CHIN-KIDD advised that the City did not want to fund EBTF anymore hence why they closed it for new employees. She explained that currently, they just fund it based on what the cost was to keep it going and if any changes were made, it would affect the entire actuarial report and the City would have to contribute more funds.

Discussion ensued.

GC, SENIOR VICE PRESIDENT, WHEELER, explained that it had been a good 20 years for the EBTF, which made it okay to be all equities as they were putting more funds in than they were withdrawing so volatility had worked to their benefit. He explained that when the market was down, the EBTF board was not withdrawing as much as was being contributed, so they continued to invest the net contributions after distribution of benefits. He explained that EBTF is in the reverse situation whereby they should be getting more conservative and that they and Foster and Foster would be talking to the EBTF board next year to decrease the actuarial rate from 7% to 5% over the next three - seven years since in the future, there would be a year when they would withdraw as much as \$500,000. He advised that if they were to increase retiree benefits to more than what had been projected, EBTF would immediately be in a worse shape than they were in that moment.

Discussion ensued.

ADJOURNMENT

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

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.