



# City of Margate

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

## Meeting Minutes

### Employee Benefits Trust Fund

*Chair, James Wilbur*  
*Vice Chair, Joanne Simone*  
*Secretary, Jackie Chin-Kidd*  
*Trustee, Adam Sitman*  
*Trustee, Laura Sudman*  
*Trustee, Efrain Suarez*  
*Trustee, Mark E. Weinrub*

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Thursday, November 17, 2016

2:30 PM

Commission Chambers

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#### CALL TO ORDER

**Present:** 4 - Chair James Wilbur, Vice Chair Joanne Simone, Secretary Jackie Chin-Kidd and Trustee Mark Weinrub  
**Absent:** 3 - Trustee Adam Sitman, Trustee Efrain Suarez and Trustee Laura Sudman

#### 1) PUBLIC DISCUSSION

*THERE WAS NO PUBLIC DISCUSSION.*

*ITEM 6 OTHER BUSINESS WAS HEARD PRIOR TO ITEM 2 MINUTES.*

#### 6) OTHER BUSINESS

- A. [ID 2016-698](#) MOTION TO APPROVE MICROFILMING AND SCANNING OF MEBTF RECORDS FY JUNE 1, 2015 THROUGH MAY 31, 2016

*CHAIR WILBUR explained that last year the cost was \$625 and 4 boxes were microfilmed and scanned.*

**A motion was made by Secretary Chin-Kidd, seconded by Trustee Weinrub, to approve.**

**An amendment was made by Trustee Weinrub, seconded by Vice Chair Simone, to approve microfilming and scanning not to exceed \$550. The motion as amended carried by the following vote:**

**Yes:** 4 - Chair Wilbur, Vice Chair Simone, Secretary Chin-Kidd and Trustee Weinrub

**Absent:** 3 - Trustee Sitman, Trustee Suarez and Trustee Sudman

- B. [ID 2016-699](#) DISCUSSION AND POSSIBLE ACTION - APPROVAL OF NEW APPLICATIONS

*CHAIR WILBUR noted that there were 14 new applications, which would be reviewed one at a time.*

*SHIELA BENNETT retired on April 30, 2016, and was missing FRS Documentation.*

**A motion was made by Trustee Weinrub, seconded by Secretary Chin-Kidd, to approve Sheila Bennett's application pending receipt of FRS documentation. The motion carried by unanimous vote of 4-0.**

*MICHAEL BORRELLI retired on May 31, 2016, and provided all documentation required.*

**A motion was made by Secretary Chin-Kidd, seconded by Trustee Weinrub, to approve Michael Borrelli's application. The motion carried by unanimous vote of 4-0.**

*GERARD CALIANO retired on September 10, 2015, but was not eligible to collect until 2016, and provided all documentation required.*

**A motion was made by Trustee Weinrub, seconded by Secretary Chin-Kidd, to approve Gerald Calliano's application. The motion carried by unanimous vote of 4-0.**

*DOREEN DECRISTO retired March 31, 2016, and provided all documentation required.*

**A motion was made by Secretary Chin-Kidd, seconded by Vice Chair Simone, to approve Doreen Decristo's application. The motion carried by unanimous vote of 4-0.**

*JASON EDELSTEIN retired on September 20, 2016, and provided all documentation required.*

**A motion was made by Vice Chair Simone, seconded by Secretary Chin-Kidd, to approve Jason Edelstein's application. The motion carried by unanimous vote of 4-0.**

*GAIL GARGANO retired on May 31, 2014, but was in the RIO Program so her health insurance was paid. All documentation required was submitted.*

**A motion was made by Trustee Weinrub, seconded by Secretary Chin-Kidd, to approve Gail Gargano's application. The motion carried by unanimous vote of 4-0.**

*PATRICIA GREENSTEIN retired on April 4, 2016, and provided all documentation required.*

A motion was made by Secretary Chin-Kidd, seconded by Vice Chair Simone, to approve Patricia Greenstein's application. The motion carried by unanimous vote of 4-0.

*PEARL GROSSMAN retired after 25 years, and provided all documentation required.*

A motion was made by Vice Chair Simone, seconded by Secretary Chin-Kidd, to approve Pearl Grossman's application. The motion carried by unanimous vote of 4-0.

*RICHARD ALTMAN retired after 14 years, and provided all documentation required.*

A motion was made by Trustee Weinrub, seconded by Secretary Chin-Kidd, to approve Richard Altman's application. The motion carried by unanimous vote of 4-0.

*RAI RAMLAL retired after 25 years, and provided all documentation required.*

A motion was made by Trustee Weinrub, seconded by Secretary Chin-Kidd, to approve Rai Ramlal's application. The motion carried by unanimous vote of 4-0.

*MELINDA SMITH provided all documentation required and was in the RIO Program.*

A motion was made by Trustee Weinrub, seconded by Vice Chair Simone, To approve Melinda Smith's application. The motion carried by unanimous vote of 4-0.

*EUGENE STEINFELD provided all documentation required and retired after 38 years.*

A motion was made by Secretary Chin-Kidd, seconded by Vice Chair Simone, to approve Eugene Steinfeld's application. The motion carried by unanimous vote of 4-0.

*FRANK TALERICO retired after 22 years last month and needed to provide proof of FRS.*

A motion was made by Trustee Weinrub, seconded by Vice Chair Simone, to approve Frank Talerico's application pending proof of FRS at a benefit amount of \$135 and \$1497.60. The motion carried by unanimous vote of 4-0.

*ANDY ZETTEK retired May 31, 2016, and needed proof of FRS.*

A motion was made by Trustee Weinrub, seconded by Secretary Chin-Kidd, to approve Andy Zettek's application pending proof of FRS. The motion carried by unanimous vote of 4-0.

CHAIR WILBUR said that he would send out a copy of the updated information.

VICE CHAIR SIMONE questioned what happened when retirees came back to work.

CHAIR WILBUR explained that they would not lose their benefit, but would start over as new employment. He said that the years re-accumulated would not be paid until the individual left the second time, as long as the individual was originally hired prior to the cut-off date.

ATTORNEY MARK W. FLOYD, Mierzwa and Floyd PA, explained that if someone who was previously on the benefit came back with a new date of hire, the additional benefits would not be accrued. He noted that prior to 2010, it was allowed. He noted that if starting a new hire date, the comeback was not covered.

VICE CHAIR SIMONE mentioned double dipping when someone left and collected, but returned and was taking the City's insurance.

CHAIR WILBUR stated that if receiving an FRS benefit and meeting the required years and age, an individual could come back.

MS. CHIN-KIDD added that insurance was only reimbursable up to what the employee paid-out-of-pocket.

ATTORNEY FLOYD said that the benefit would be capped regarding out-of-pocket expenses.

C. [ID 2016-700](#) DISCUSSION AND POSSIBLE ACTION - APPROVAL OF RENEWAL APPLICATIONS

MS. CHIN-KIDD said that the maximum benefit needed to be changed on Kathy Hoelderlin and Dave Foster. She stated that Kathy Hoelderlin should be at \$1,171.20 and Dave Foster needed to have the \$.80 added on.

CHAIR WILBUR explained that he received some late renewals yesterday and today as follows:

WADE BROESAMLE provided his application notarized on November 8th, 2016, and provided required documents.

SAM HOUSTON – CHAIR WILBUR will have Adam Sitman get in touch with Mr. Houston to obtain the correct paperwork.

DOMINICK CAVALLO – submitted application and was eligible for the maximum of \$1,089.60.

CHAIR WILBUR provided the following review of applications:

CHARLES CLAY – no application

GARLAND DIAL – no application

*KENNETH GILBERT – no application*

*FRED GUERIN – needs proof of insurance*

*SAM HOUSTON – needs proof of insurance*

*MARILYN JONES – MR. WEINRUB spoke with Ms. Jones who had a stroke three weeks ago. He noted that she would be in on Monday to sign what was needed.*

**A motion was made by Trustee Weinrub, seconded by Secretary Chin-Kidd, to extend the time period for Marilyn Jones due to medical reasons. The motion carried by the following vote:**

**Yes:** 4 - Chair Wilbur, Vice Chair Simone, Secretary Chin-Kidd and Trustee Weinrub

**Absent:** 3 - Trustee Sitman, Trustee Suarez and Trustee Sudman

*FRANK PAOLERCIO – needs proof of insurance*

*MANUEL SARMIENTO – no application*

*ARLENE SCHWARTZ – needed proof of insurance*

*JAMES TILSON – no application*

*BRUCE WATSON – no application*

*RUSSELL WEST – no application*

*CHAIR WILBUR stated that the total of renewals was \$179,620.*

**A motion was made by Secretary Chin-Kidd, seconded by Trustee Weinrub, to approve the renewals. The motion carried by the following vote:**

**Yes:** 4 - Chair Wilbur, Vice Chair Simone, Secretary Chin-Kidd and Trustee Weinrub

**Absent:** 3 - Trustee Sitman, Trustee Suarez and Trustee Sudman

*CHAIR WILBUR stated that the new retirees retroactive for 2016 will be \$10,576.80. He added that the new 2017 amount for new retirees would be \$21,272.40. He noted that the total of both was \$211,469.20; however, the amount could change depending on how many submitted proof of insurance.*

**A motion was made by Secretary Chin-Kidd, seconded by Trustee Weinrub, to approve the \$211,469.20. The motion carried by the following vote:**

**Yes:** 4 - Chair Wilbur, Vice Chair Simone, Secretary Chin-Kidd and Trustee Weinrub

**Absent:** 3 - Trustee Sitman, Trustee Suarez and Trustee Sudman

**D. [ID 2016-701](#) DISCUSSION AND POSSIBLE ACTION - APPROVING TRANSFER OF FUNDS TO CHECKING ACCOUNT FOR DISBURSEMENT**

*MIKE NICKLER, Morgan Stanley, spoke about Index Funds versus Active Management and how the Index Funds could not be beat over the past 3 years. He felt that would change in the future dramatically. He noted that the MEBTF was diversified and took far less risk.*

*CHAIR WILBUR agreed that keeping the fund diversified would keep it safe.*

*MR. NICKLER felt that in the future, value would outperform growth with industrials,*

*financials, metals and heavy industry benefiting. He said that international would outperform domestic and that the best value was Europe. He believed interest rates would rise over the next couple of years and inflation would pick up. He felt that gold, metals, energy and that merging markets would increase and the next 3 years would not be too bad.*

*MR. NICKLER noted that at the last meeting, Invesco and TCW previously were not well; however, Invesco had improved dramatically. He stated that TCW was underperforming and would be eliminated.*

*CHAIR WILBUR explained that as a result of the Actuarial Study, which showed the MEBTF as being 92 percent funded because new employees were no longer accepted since 2010. He noted that the City would only be receiving a contribution of \$77,000 per year, versus the prior contribution of \$325,000.*

*MR. NICKLER said that the same amount was coming out of the fund; therefore, the fund would be negative about \$150,000 per year. He noted that he had planned to remove about \$100,000 from TCW, which he would add to Jennison. He noted that the current percentages were as follows:*

*23% large value  
20% large growth  
12% small mid value  
11% small mid growth  
23% internationals  
11% alternatives (split between metals, real estate, domestic and international and managed futures)*

*MR. NICKLER stated that the new percentage recommendations were as follows:*

*24% large value  
18% large growth  
11% small mid  
10% small mid growth  
25% internationals (13 ½ % large cap international and 11 ½ % merging markets)  
11% alternatives (split between metals, real estate, domestic and international and managed futures)*

*MR. NICKLER made the following recommendations for allocating \$215,000:*

*TCW – move all but \$100,000 to Jennison  
Invesco – withdraw \$30,000  
Systematic – withdraw \$70,000  
Delaware – withdraw \$65,000  
Tradewinds – add \$50,000*

**A motion was made by Secretary Chin-Kidd, seconded by Trustee Weinrub, to take \$215,000 out of investments to cover the benefits as stated by Mr. Nickler, which was needed by January 16, 2017. The motion carried by the following vote:**

**Yes:** 4 - Chair Wilbur, Vice Chair Simone, Secretary Chin-Kidd and Trustee Weinrub

**Absent:** 3 - Trustee Sitman, Trustee Suarez and Trustee Sudman

*MR. NICKLER noted that he would transfer the funds from TCW to Jennison now.*

*CHAIR WILBUR asked to hear back from Mr. Nickler about the plan for the future and the collecting of \$77,000 versus \$325,000.*

*MR. NICKLER stated that he would only manage what he had accordingly; therefore, if only \$77,000 instead of \$325,000, his investment strategy would not change but he would only have less to add to areas.*

*ATTORNEY MARK W. FLOYD, Mierzwa and Floyd, PA, explained that the Actuary assumed that the goal long term was 7 percent. He said that the Actuarial Study needed to be done every year.*

*CHAIR WILBUR said that he would check into that.*

## 2) MINUTES

- A. [ID 2016-695](#) MOTION APPROVING MINUTES DATED APRIL 21, 2016, JUNE 16, 2016 AND JULY 21, 2016

**A motion was made by Vice Chair Simone, seconded by Secretary Chin-Kidd, to approve the minutes dated April 21, 2016, June 16, 2016 and July 21, 2016. The motion carried by unanimous vote of 4-0.**

## 3) INVOICES

- A. [ID 2016-696](#) MOTION APPROVING PAYMENT OF INVOICE FOR ATTORNEY MARK A. FLOYD, MIERZWA & FLOYD, P.A.

**A motion was made by Vice Chair Simone, seconded by Secretary Chin-Kidd, to pay the Attorney's invoice in the amount of \$120. The motion carried by unanimous vote of 4-0.**

- B. [ID 2016-697](#) MOTION APPROVING ATTORNEY MARK A. FLOYD, MIERZWA & FLOYD, P.A. HOURLY RATE INCREASE

*CHAIR WILBUR read into the record a letter dated October 3, 2016, received from Attorney Floyd, explaining the increase in fees from \$240 per hour to \$255 per hour effective December 1, 2016.*

*ATTORNEY MARK W. FLOYD, Mierzwa and Floyd, PA, noted that it had been 2 years since the last increase.*

**A motion was made by Secretary Chin-Kidd, seconded by Vice Chair Simone, to approve the fee increase for the Attorney. The motion carried by the following vote:**

**Yes:** 4 - Chair Wilbur, Vice Chair Simone, Secretary Chin-Kidd and Trustee Weinrub

**Absent:** 3 - Trustee Sitman, Trustee Suarez and Trustee Sudman

## 4) REPORT FROM ATTORNEY

ATTORNEY MARK W. FLOYD, Mierzwa and Floyd, PA, explained that the City requested that the Fund complete an annual audit as stated in the Agreement and Declaration of Trust. He stated that the checks would be issued in January and that there were not a lot of expenses each year, which was why an annual audit had not been previously done. He said that he put out a Request for Proposal (RFP) for auditing services, but only received 1 response back because there was not a lot of work involved. He mentioned the company that took care of the returns every year, and said that they could be the auditors if they prepare the financial statements prior to filing the tax return. He clarified that they could not both prepare the financial statement and conduct the audit. He noted that the company could use their accountants to prepare the financial statement for a cost of \$800 to \$1,000. He stated that the proposed fee of the company was \$7,500 for the audit and tax return.

CHAIR WILBUR said that was too much.

ATTORNEY FLOYD suggested having the City include the audit of this fund when having their auditors conduct the audit for the City. He noted that the fund could pay the City for the work.

CHAIR WILBUR said that he spoke with the Finance Director, who said that she would assist.

MR. WEINRUB noted that he would not be involved with the fund after this year, and he offered to speak with his son who was a junior partner of a Fort Lauderdale Law Firm to see if they would be interested in assisting.

MS. CHIN-KIDD asked whether a CPA could conduct the audit as a contractor, rather than a firm.

ATTORNEY FLOYD said that it depended on the CPA, and that not all did audits.

CHAIR WILBUR noted that there were about 115 to 120 checks to be issued with about a dozen checks the rest of the year; therefore, he would speak with the Finance Director.

MS. CHIN-KIDD pointed out that the Actuarial Study might be needed every year because of the addition of the fees for the audit, which was a big difference.

## 5) REPORT FROM TRUSTEES

MS. CHIN-KIDD stated that bank reconciliation was done by Chair Wilbur. She mentioned the stale dated check for Russell West for 2012.

CHAIR WILBUR noted that there were 2 outstanding checks; 2 from this year and 1 from 2012 from Russell West. He said that they were never returned and never cashed.

MS. CHIN-KIDD asked whether they should be sent to unclaimed property.

ATTORNEY MARK W. FLOYD, Mierzwa and Floyd, PA, said that it would not be sent to unclaimed property because it was an unclaimed benefit. He explained that just like those who had not claimed benefits. He said that the checks should be cancelled and he did not consider them as forfeiture. He read that there was a provision stating that if a payment was returned to the fund as a result of failure to provide address, no further payments would be made, and that upon receipt of address, payment would resume prospectively only. He noted that these checks did not apply because they were not returned.



CHAIR WILBUR clarified that the member could not collect the money now, because he had not provided the information.

ATTORNEY FLOYD suggested voiding the checks.

CHAIR WILBUR mentioned 2 checks that were issued this past January for the following:

KENNETH GILBERT - checks were never cashed

GEORGE PHIPPS - checks were never cashed

ATTORNEY FLOYD suggested letting the checks lapse first as it was not yet a year.

MR. WEINRUB stated that his last day of employment with the City will be the week ending February 7th, 2016.

CHAIR WILBUR said that he was notified by a member who forgot to file when they turned 62 and wanted to know how far back they could file. He noted that the individual originally applied in 2014 and received a partial benefit for 2014, with full benefits in 2015 and 2016. He said that the member wanted to claim back from 2011, because of age eligibility.

ATTORNEY FLOYD noted that if someone retired before reaching age 62, the benefit was deferred. He said that the member would then have to come back when qualified. He noted that the individual Chair Wilbur was referring to had not applied when she was first eligible to receive. He said that 3 years, 2011, 2012 and 2013, the member had not applied for a benefit and a benefit was not paid out. He stated that the member applied in 2015, and retroactive was paid. He noted that retroactive would not be paid for more than 1 year from the date the application was submitted, per the Plan Documents.

CHAIR WILBUR clarified that the member could not be paid retroactive from 2011, and that he would get in touch with the member.

CHAIR WILBUR explained that 3 renewals were received from members who were not yet eligible. He said that Pam Donovan was not eligible until 2019, Gary Sessa was not eligible until 2023, and Eric Peart was not eligible until 2019; however, they sent in applications. He stated that he would send a letter reminding them of their eligibility date and will emphasize to them to keep in contact when receiving renewals in the mail so as to keep the information current. He said that next year he would include all the people who were not eligible when sending out renewals with a special letter informing them to keep information current.

CONSENSUS – all agreed that was a good idea.

MR. WEINRUB suggested adding a line to both the original applications and the renewals to include an email address.

CHAIR WILBUR said that he would update the form to indicate that the name, address, telephone numbers and email address. He noted that he would also add to the applications that all shaded areas be filled in. He noted many applications were received with no name and address at the top, which he wanted filled out every year to keep the information current.

MS. CHIN-KIDD mentioned that members always left the second box, "Changes" blank if there were no changes.

*CHAIR WILBUR said that he would remove that box and would make the appropriate changes. He added that he might even fill in the name and address when he did the mail merge next year.*

## **7) SCHEDULE NEXT MEETING**

*CHAIR WILBUR stated that the next meeting was scheduled for Thursday, January 19, 2016, at 2:30 PM.*

## **ADJOURNMENT**

*There being no further business, the meeting adjourned at 4:09 PM.*

*Respectfully submitted,*

*Transcribed by Carol DiLorenzo*

\_\_\_\_\_  
*Jackie Chin-Kidd, Secretary*

*Date:*\_\_\_\_\_