Florida West Coast Operating Engineers
Apprenticeship Trust Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
Phone: 877-291-2387
www.associated-admin.com

MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
FLORIDA WEST COAST OPERATING ENGINEERS
APPRENTICESHIP TRUST FUND
WEDNESDAY, FEBRUARY 14, 2018
TAMPA, FLORIDA

The following Trustees were present:

LABOR TRUSTEES	**MANAGEMENT TRUSTEES**
M. Schaunaman, Chairman	P. Taylor, Secretary-Treasurer
J. Junecko	
D. Sherman	

Also present were:

K. Bates – Gramling and Haya Certified Public Accountants, P.A.
D. Clutts – Associated Administrators, LLC
T. DuBose – Legacy Wealth Management (via tele-conference)
L. DuVall – Associated Administrators, LLC
M. Howard – FWCOE Apprenticeship Director
E. Venable – Venable Law Firm, P.A.
P. Venable – Venable Law Firm, P.A.

I. CALL TO ORDER

A quorum being present, Chairman Schaunaman called the meeting to order.

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on November 8, 2017, which were circulated to the Trustees in advance of the meeting. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the minutes of the regular Board meeting held on November 8, 2017, as presented.**

III. Legacy Wealth Management ("Legacy")

The Board welcomed Mr. Tony DuBose, Managing Principal of Legacy Wealth Management, to the meeting via tele-conference. Mr. DuBose said that Legacy is an investment management firm that manages pension investments. Mr. DuBose reviewed a sample Investment Policy Statement with the Trustees. He recommended a fixed income portfolio with less than a ten year average maturity and a credit requirement of 95% or better investment grade bonds. The portfolio would include approximately 50% government bonds and 50% corporate bonds with a high level of liquidity, subject to the guidelines of the agreed upon investment policy. Fund Counsel discussed the Merrill Lynch investment that the Fund plans to liquidate as part of the investable assets. Mr. DuBose said that he could assist with the liquidation of the Merrill Lynch account. Mr. DuBose said that Legacy accepts fiduciary responsibility for the funds invested and that Legacy is a registered investment advisor.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to hire Legacy Wealth Management with an initial investment of $1,000,000, and, once liquidated, the proceeds from the Merrill Lynch account, subject to completion of acceptable legal documents and the drafting and execution of an investment policy.**

Mr. Venable will work with Mr. DuBose on the execution of all necessary paperwork.

IV. AUDITOR'S REPORT

The Trustees welcomed Ms. Krista Bates from Gramling and Haya Certified Public Accountants to the meeting.

A. Financial Statement

Ms. Bates reviewed the draft Financial Statement for Plan years ended March 31, 2017 and 2016, a copy of which is attached to and made a part of these minutes as Exhibit A. Ms. Bates expressed an unmodified (clean) opinion on the financial statements, meaning that in her opinion, the financial statements present fairly, in all material respects, the financial status of the Fund as of March 31, 2017 and 2016. Ms. Bates reviewed the draft audit and reported that the total liability and net assets as of March 31, 2017 were $2,480,121 compared to $1,548,971 as of March 31, 2016, which represented an increase of $931,150 in net assets. Ms. Bates reviewed the Notes to Financial Statements as of years ended March 31, 2017 and 2016.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to accept the audited Financial Statements for the Plan years ended March 31, 2017 and 2016.**

Ms. Bates discussed the Hillsborough County School Board ("HCSB") account and acceptable accounting standards for use of the funds. She said it was acceptable to utilize the HCSB account for up to 50% of the Apprenticeship School payroll and any expenses allocable to the apprenticeship program, given that well over 50% of the expenses incurred by the Apprenticeship School (excluding depreciation) are apprentice program expenses.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to allocate 50% of the HCSB account balance to Apprenticeship Training Program payroll and expenses of the prior Plan year. Effective April 1, 2018, allocate 50% of the incurred Apprenticeship Training Program payroll and expenses to the HCSB account and transfer the allocated amount to the operating account on a quarterly basis.**

B. <u>2016 IRS Form 990</u>

Ms. Bates reviewed IRS Form 990 with the Trustees. Ms. Bates said that she had worked with the Fund Office to complete IRS Form 990, due to be filed by February 15, 2018 under the allowable extension of time to file.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to accept the 2016 Form 990 as presented.**

Chairman Schaunaman signed the 2016 Form 990 on behalf of the Board.

C. Engagement Letter

Ms. Bates presented an engagement letter for the annual audit, the preparation of IRS Form 990, and for the performance of payroll audits at a cost of $98 to $190 per hour, a copy of which is attached to and made a part of these minutes as Exhibit B.

After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the engagement of Gramling & Haya Certified Public Accountants, P.A. to perform the annual audit, tax preparation and payroll audits for the Fund as proposed in its engagement letter dated February 14, 2018.**

The Trustees thanked Ms. Bates for her report and she was excused from the meeting.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for December 31, 2017, a copy of which is attached to and made a part of these minutes as Exhibit C. Ms. Clutts reported total assets for the month of December 2017 of $2,703,370.25, total liabilities of $13,558.95, and total equity of $2,689,811.30. She reported that for the month of December 2017, the Fund had total income of $26,680.95 and total expenses of $37,280.22, resulting in a deficit for the month of $10,599.27.

B. Disbursements

Ms. Clutts presented the expense check register for December 2017 which indicated total disbursements of $29,697.52. She reviewed the payroll check register for December 2017 which indicated total payroll of $7,162.48.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to accept the Administrative Manager's Report, as presented.**

VI. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Michael Howard presented the Director's Report dated February 14, 2018, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported the following:

A. Apprentices

Four new apprentices joined the Program since the November meeting. A total of thirty-four apprentices are enrolled in the Program.

B. Upgrading the Apprenticeship Program

The NCCCO course slabs are in the ground and work continues on completing the course layout. The audit for the Mobile Crane Examiner will be requested as soon as the training course layout is finished. Mr. Howard will complete his examiners audit at the South Florida Apprenticeship Training Program site.

C. Training Classes

NCCCO review classes are being held weekly, as well as the core knowledge classes for NCCCO certification. Mr. Howard is conducting forklift certifications for apprentices as they need them.

D. Equipment

Mr. Howard has obtained the license plate and registration for the Ford 9000 truck. He will relocate it from Miami to Plant City, Florida, after putting tires on the truck. The Grove 30 ton RT continues to have electrical issues. The Trustees discussed Mr. Howard hiring an electrician to repair the equipment. Mr. Howard is searching for a forklift to purchase for apprentice training, as approved by the Trustees at the November 8, 2017 Board meeting. The John Deere Excavator simulator on loan from the National Training Fund was returned. Mr. Howard discussed the need for a lattice boom crawler crane for training apprentices.

After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to appoint a subcommittee consisting of the Apprenticeship Director Michael Howard and Trustees Junecko and Taylor to research and purchase a lattice boom crawler crane at a price not to exceed $250,000.**

Mr. Howard said that the Apprentice Training Center does not have a printer/copier that can make adequate copies of training materials. He requested that the Fund acquire a printer/copier. The Trustees discussed the option of purchasing or leasing a printer/copier and determined it would be more beneficial to lease the equipment with a service contract.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to have Mr. Howard obtain three proposals to lease a printer/copier for the Apprenticeship School at a cost not to exceed $300 per month. Chairman and Secretary authorized to review the proposals and make a selection.**

E. Training Site

Mr. Howard presented the Trustees with a "To Do" list detailing repairs needed at the Apprentice Training Center. The list included window replacement, signage, repair of flooring, and the repair or replacement of rain gutters, among other items. The Trustees discussed the needed repairs. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to have Trustees Taylor and Junecko obtain bids from construction companies and/or contractors to complete the necessary repairs at a cost not to exceed $30,000. Chairman and Secretary to review and approve the expenditures.**

VII. Attorney's Report

Mr. Eric Venable presented the Attorney's Report dated February 14, 2018, a copy of which is attached to and made a part of these minutes as Exhibit E.

A. Merrill Lynch Investment Account

Mr. Eric Venable stated that the Merrill EDGE Advisory Center had changed the named representative of the FWCOE Apprenticeship Fund on the account to Chairman Schaunaman.

B. Property Tax Exemption

Mr. Eric Venable said that he completed the application for a property tax exemption for the Plant City property, a copy of which is attached to and made a part of these minutes as Exhibit F. The Trustees reviewed and discussed the property tax exemption.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the Fund counsel filing of the property tax exemption for the Plant City property, and authorized Chairman Schaunaman to execute the application.**

C. U.S. Census Bureau Questionnaire

The Fund Office received a questionnaire from the U.S. Census Bureau and forwarded it to Mr. Venable for a response. Mr. Venable said the Fund had received this inquiry due to the Annual Report for the Building Corporation that he had recently filed on behalf of the Fund. Mr. Patrick Venable indicated that he would complete the survey on behalf of the Fund and provide the Fund Office with the sign-in authorization for the Fund's records.

D. Apprenticeship Director Agreement

Mr. Venable amended the Apprenticeship Director Agreement to include language about personal use of a motor vehicle as additional compensation and to confirm that the Apprenticeship Director would be responsible for any taxes and reporting of such personal usage, a copy of which is attached to and made a part of these minutes as Exhibit G.

E. Declaration of Trust ("Trust")

The Trustees discussed the Trust and consideration of amending the Trust to include a variable number of Trustees, with a minimum of two Trustees (one Union Trustee, one Employer Trustee) and a maximum of six Trustees (three Union Trustees, three Employer Trustees) for purposes of a quorum. The Administrative Manager also asked for guidance in implementing the Trust Article IV, Contributions and Collections. Mr. Venable said he would review the Trust language and make recommendations to the Board about any necessary amendments.

VIII. OTHER FUND BUSINESS

Ms. Clutts reported the following:

A. Fiduciary Liability Insurance Renewal

The Fund Office received a quote to renew the fiduciary liability insurance for the policy period March 14, 2018 to March 14, 2019. The insurance broker quoted no increase in premium but offered an increase in the voluntary compliance program expenditures sub-limit from $250,000 to $300,000 at an additional cost of $50. The insurance broker also offered an educator's liability endorsement with a sub-limit and sub-retention of $2,000,000 with $0 deductible for an additional premium of $500.

After discussion on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the renewal of the Fiduciary Liability policy with the increase in the voluntary compliance program expenditures sub-limit from $250,000 to $300,000 and the educator's liability endorsement with a sub-limit of $2,000,000.**

Ms. Clutts said that the Fund Office had also requested a quote for a separate liability policy for apprentice selection coverage with liability limits of $250,000 and $500,000. The quote will be presented to the Trustees for consideration when it is received.

B. Commercial Insurance Refund

The Fund office received a premium refund of $1,041 from United Member Insurance, Inc. as the hydraulic crane simulator was returned to the National Training Fund, cancelling the need to insure that equipment.

C. Worker's Compensation Insurance

The Fund's worker's compensation insurance policy was renewed at a premium of $659 for the period of March 23, 2018 to March 23, 2019 at a slight decrease in premium.

D. Reporting Delinquent Employer Contributions

A sample Delinquency Log Report and the FWCOE Apprenticeship Fund Trust Agreement "Contributions and Collection" language was distributed to the Trustees for their consideration. The Trustees reviewed the sample delinquency report and directed that the Administrative

Manager track and report future delinquent contributions on a Delinquency Log Report to be distributed on a monthly basis to Chairman Schaunaman, Secretary Taylor, and Trustees Junecko and Sherman. The Trustees discussed the contributions and collection language in the Trust Agreement and requested Fund Counsel review the language for any recommended changes to provide clarity to the collection process.

E. Trustee Web Portal

Ms. DuVall provided Trustees with directions for accessing the Trustee Web Portal on Associated Administrator's website: www.associated-admin.com

The Trustee Web Portal provides Trustees access to meeting materials in advance of scheduled meetings. The FWCOE Apprenticeship Fund has been added to the Trustee Web Portal for the convenience of the Trustees. Ms. DuVall provided the Trustees a document, "Trustee Web Portal Overview." Ms. DuVall reviewed the written directions for Trustees to follow to access the FWCOE Apprenticeship Fund meeting materials. Trustees and Fund Counsel were each provided a confidential and unique log-in identity and password.

IX. MEETING DATE AND LOCATION

The next quarterly Board meeting was scheduled for Wednesday, May 9, 2018 at 1:00 p.m. at IUOE Local 487-D925 Union office in Tampa, Florida. The remaining 2018 quarterly meeting dates were scheduled for August 8 and November 14, 2018.

X. ADJOURNMENT

There being no further business to come before the Board of Trustees, the meeting was adjourned.

Respectfully submitted,

____

Chairman

____

Secretary-Treasurer

These Minutes were adopted on ____________________________________.

Attachments:

Exhibit A: Financial Statement for Plan Years Ended March 31, 2017 and 2016
Exhibit B: Gramling and Haya Engagement Letter
Exhibit C: Income and Expense Statement – December 31, 2017
Exhibit D: Apprenticeship Director's Report – February 14, 2018
Exhibit E: Eric Venable Attorney's Report – February 14, 2018
Exhibit F: State of Florida Property Tax Exemption
Exhibit G: Apprenticeship Director Agreement