Florida West Coast Operating Engineers
Apprenticeship Trust Fund
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DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE FLORIDA WEST COAST OPERATING ENGINEERS APPRENTICESHIP TRUST FUND WEDNESDAY, MAY 30, 2018 TAMPA, FLORIDA

The following Trustees were present:

LABOR TRUSTEES	**MANAGEMENT TRUSTEES**
M. Schaunaman, Chairman	J. Dixon
J. Junecko	L. Izzo

Also present were:

D. Clutts – Associated Administrators, LLC
T. DuBose – Legacy Wealth Management
L. DuVall – Associated Administrators, LLC
M. Howard – FWCOE Apprenticeship Director
E. 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 February 14, 2018, 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 February 14, 2018, as presented.**

III. <u>Legacy Wealth Management ("Legacy")</u>

The Board welcomed Mr. Tony DuBose, Managing Principal of Legacy Wealth Management ("LWM"), to the meeting. Mr. DuBose reviewed his recommended Investment Policy Statement with the Trustees, a copy of which is attached to and made a part of these minutes as Exhibit A. 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. Mr. DuBose discussed including up to 5% equity allocation in the portfolio, for the Trustees' consideration. The Trustees indicated their acceptance of the recommended Investment Policy Statement without equity investments. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to adopt the Investment Policy Statement with a fixed income portfolio of less than a ten-year average maturity and a credit requirement of 95% or better investment grade bonds, including approximately 50% government bonds and 50% corporate bonds with a high level of liquidity.**

Mr. DuBose recommended that the Fund hire LPL Financial Services, a non-affiliated third party, to act as custodian of the account. LWM Advisory Services, a subsidiary of LWM, would invest the assets, subject to the guidelines stated in the approved Investment Policy Statement. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to hire LPL Financial Services as custodian of the Fund's account and LWM Advisory Services to invest the Fund's account assets, subject to the guidelines stated in the approved Investment Policy Statement.**

The Trustees discussed the Merrill Lynch Edge investment and directed that Mr. DuBose liquidate the Merrill Lynch Edge investment and invest the proceeds with the Fund's investable assets totaling approximately $1,000,000. Mr. DuBose responded affirmatively and requested a copy of the most recent Merrill Lynch Edge statement.

Mr. Venable presented a Trustee Designation and Authorization Form for the Trustees' consideration. Mr. Venable said that the Trustee Designation and Authorization Form allows the Trustees and Administrative Manager to transfer Fund assets to the custodian for investment purposes. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to execute the Trustee Designation and Authorization Form as presented by Fund counsel.**

Mr. DuBose will work with the Administrative Manager to complete the necessary paperwork to expedite the investment of the Fund's assets.

IV. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Michael Howard presented the Director's Report dated May 30, 2018, a copy of which is attached to and made a part of these minutes as Exhibit B. He reported the following:

A. Apprentices

Three new apprentices joined the Program since the February 2018 Board meeting. A total of thirty-seven apprentices are enrolled in the Program.

B. Upgrading the Apprenticeship Program

Work continues on the NCCCO course for the lattice boom and swing cab. The course layout will be completed when the CAD drawing for the fixed cab is finished. Mr. Howard requested an Examiner from the NCCCO to audit the test site.

C. Training Classes

NCCCO review classes and written testing were held at the Union office. At the Apprentice School, class content has centered on basic crane and maintenance instruction. Mr. Howard is conducting forklift certifications for apprentices and re-certifications for journeymen as they need them.

D. Equipment

A lattice boom crawler crane and boom extension and a Genie 6000 pound capacity RT telescopic forklift were purchased for apprentice training, per the direction of the Board. The Grove 30 ton RT crane is in operating condition. Mr. Howard transported the Caterpillar D7F bulldozer and the Ford LNT 8000 semi-tractor from Miami to the Apprentice School site. The Ironworkers Local 397 Apprenticeship Program welded three test weights for the crane testing program.

E. Training Site

Mr. Howard provided an update on the upgrades to the school building. He reported that he is patching and sealcoating the Apprentice School roof. The building repairs are 90% complete, with the exception of windows that need to be installed and electrical wiring and lighting that needs to be upgraded or repaired. The Trustees discussed the remaining repairs needed at the Apprentice School site. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to amend the February 14, 2018 Motion, to increase the funds to complete the necessary repairs by Apollo Construction at a cost not to exceed $43,000. Chairman and Secretary were authorized to review and approve the expenditures.**

Mr. Howard discussed lawn mowing of the Apprentice School site. The Apprentice School has a contract with Deere-Scape Landscaping to mow and maintain the Apprentice School's 19.5 acres. Mr. Howard said that Deere-Scape Landscaping has been unreliable. Mr. Howard requested that the Fund terminate the contract with Deere-Scape Landscaping and purchase a diesel zero turn commercial lawn mower. Chairman Schaunaman asked that Fund Counsel review the terms of the current contract with Deere-Scape Landscaping. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to purchase a diesel riding mower at a cost not to exceed $16,000, pending Fund Counsel's review of the current contract with Deere-Scape Landscaping.**

Mr. Howard raised the possibility of installing a security system at the Apprentice School. The Trustees discussed security at the Apprentice School and decided to assess whether there is a need for a security system.

V. Attorney's Report

Mr. Eric Venable presented the Attorney's Report dated May 30, 2018, a copy of which is attached to and made a part of these minutes as Exhibit C.

Declaration of Trust ("Trust") Amendment No. 2

Mr. Venable presented Trust Amendment No. 2, which had been distributed to the Trustees for review between Board meetings. The Amendment adds 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 Board meeting quorum. Amendment No. 2 also clarifies the language regarding employer contribution delinquencies. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve Trust Amendment No. 2 as presented by Fund Counsel.

The Administrative Manager will draft a collection and audit procedure policy incorporating the language from Amendment No. 2 and send it to Fund Counsel for review prior to the next Board meeting.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for March 31, 2018, a copy of which is attached to and made a part of these minutes as Exhibit D. Ms. Clutts reported total assets for the month of March 2018 of $2,782,725.60, total liabilities of $20,762.64, and total equity of $2,761,962.96. She reported that for the month of March 2018, the Fund had total income of $62,481.24 and total expenses of $33,038.86, resulting in a gain for the month of $29,442.38.

B. Disbursements

Ms. Clutts presented the expense check register for March 2018 which indicated total disbursements of $14,286.17. She reviewed the payroll check register for March 2018, which indicated total payroll of $11,794.48. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

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

VII. OTHER FUND BUSINESS

Ms. Clutts reported the following:

A. Delinquent Employer Contributions

The Fund Office began tracking delinquent contributions on a Delinquency Log Report and distributing the report on a monthly basis to Chairman Schaunaman, Secretary-Treasurer Taylor, and Trustees Junecko and Sherman. Ms. Clutts reported that she worked with Trustee Junecko to identify and remove employers from the report that did not have a current contract with the IUOE Local 487/District 925.

B. IRS Non-Profit 501(c)(3) Status

The Fund's application to the IRS for non-profit 501(c)(3) status was approved and confirmation was received by the Fund Office on March 9, 2018.

C. Florida Sales Tax Exemption

The application for Sales Tax Exemption from the State of Florida was approved and confirmation was received by the Fund Office on May 25, 2018.

D. Hillsborough County School Board ("HCSB") Funds

Per the Board's direction at the February 14, 2018 meeting, the Fund Office transferred $79,715 from PowerNet Account #9267 to PowerNet Account #5660 to allocate HCSB funds to the operating account for the Apprentice School payroll expenses and other expenses allocable to the Apprenticeship Program.

E. Forklift Purchase

Between Board meetings, a poll of the Board of Trustees was taken to approve the purchase of a forklift for the Apprenticeship Program, at a cost not to exceed $40,000. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to ratify the action taken by the Trustees on April 11, 2018 to approve the purchase of a forklift for the Apprenticeship Program at a cost not to exceed $40,000.

F. Crane Parts

Between Board meetings, a request was made to the Board of Trustees by Apprenticeship Director Michael Howard and Chairman Schaunaman to purchase boom and ball parts for the new crane for the Apprenticeship Program. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the purchase of boom and ball parts for the new crane at a cost of $14,900.

G. Fiduciary Liability Insurance

The fiduciary liability insurance policy was renewed for the period of March 14, 2018 to March 14, 2019.

H. Liability Policy for Apprentice Employment Practices

Per the Trustees' direction at the February 14, 2018 Board meeting, an application for an additional insurance liability policy to cover apprentice employment practices was submitted to Ullico Insurance Company. The Fund Office received a quote for an aggregate liability limit of $250,000 at an annual premium of $2,085 and a quote for an aggregate liability limit of $500,000 at an annual premium of $2,591. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the purchase of the Employment Practices Liability Policy with an aggregate liability limit of $500,000 at an annual premium of $2,591, subject to review of the Policy by Fund counsel.

I. U.S. Census Bureau Survey

The Fund Office received an economic survey from the U.S. Census Bureau. The survey was forwarded to Mr. Patrick Venable to complete on behalf of the Fund.

J. Trustee Web Portal

Ms. Clutts provided Trustees Dixon and Izzo with a document titled "Trustee Web Portal Overview" and gave them directions for accessing the Trustee Web Portal on Associated Administrator's website. Trustees Dixon and Izzo were each provided a confidential and unique log-in identity and password.

VIII. MEETING DATE AND LOCATION

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

IX. ADJOURNMENT

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

Respectfully submitted,

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Chairman

____
Secretary-Treasurer

These Minutes were adopted on ____________________________________.

Attachments:
Exhibit A: Legacy Wealth Management Investment Policy Statement
Exhibit B: Apprenticeship Director's Report – May 30, 2018
Exhibit C: Attorney's Report – May 30, 2018
Exhibit D: Income and Expense Statement – March 31, 2018