Florida West Coast Operating Engineers
Apprenticeship Trust Fund
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MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
FLORIDA WEST COAST OPERATING ENGINEERS
APPRENTICESHIP TRUST FUND
WEDNESDAY, NOVEMBER 14, 2018
TAMPA, FLORIDA

The following Trustees were present:

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

Also present were:

D. Clutts – Associated Administrators, LLC
T. DuBose – Legacy Wealth Management
L. DuVall – Associated Administrators, LLC
A. Lacey – 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 August 8, 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 August 8, 2018, as presented.**

III. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Mr. Tony DuBose from Legacy Wealth Management ("Legacy") to the meeting.

Performance Report

Mr. DuBose discussed Legacy's Portfolio Review dated November 14, 2018, a copy of which is attached to and made a part of these minutes as Exhibit A. Mr. DuBose stated that the market value of the Fund assets in the portfolio as of November 6, 2018, was $989,444.80. The performance return from inception to November 6, 2018 was -1.11% as compared to the benchmark return of -1.15%. The asset allocation was 78.64% in fixed income and 21.36% in cash and cash equivalents. Chairman Schaunaman requested that Mr. DuBose include a copy of the Investment Policy Statement with future reports.

The Trustees thanked Mr. DuBose for his report and excused him from the meeting.

IV. APPRENTICESHIP DIRECTOR

Chairman Schaunaman said that Mr. Michael Howard's last day as Apprenticeship Director would be Friday, November 16, 2018. Mr. Schaunaman introduced Mr. Adrian Lacey as the Apprenticeship Director effective November 12, 2018. Between Board meetings, the Administrative Manager sent a poll via e-mail to the Trustees to vote on the hiring of Mr. Lacey to replace Mr. Howard as Apprenticeship Director at the same salary and fringe benefits currently in place for Mr. Howard. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to ratify the action taken by the Trustees between Board meetings to approve hiring Adrian Lacey as Apprenticeship Director at the same salary and fringe benefits as the outgoing Apprenticeship Director.**

Mr. Lacey was presented with an Apprenticeship Director's Agreement, which he signed during the meeting. The Trustees discussed the need to track and account for expenses of the Apprenticeship Program. The Administrative Manager will send Mr. Lacey an expense report form to be used for the submission of expenses to the Fund Office, as well as instructions for the reporting of hours worked. The Fund has a Florida Sales Tax Exemption Card which will be provided to Mr. Lacey for use when making purchases for the Apprenticeship Program. Fund Counsel stated and the Trustees concurred that Mr. Lacey will need to have certain expenditures approved in advance by the Board of Directors.

A. Apprentices

Mr. Shaunaman reported a total of thirty-seven apprentices are enrolled in the Apprenticeship Program.

B. Computer Equipment

The Trustees discussed the need for a laptop computer and projector for the Apprenticeship Program. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to authorize the purchase of a laptop computer and projector at a cost not to exceed $1,500. Furthermore, should the cost exceed $1,500, the Chairman and Secretary are authorized to review and approve the additional expenditure.**

C. Apprentice School Instructor

Mr. Lacey requested approval to hire a part-time instructor to assist in teaching the Apprenticeship Program curriculum. The Trustees discussed the staffing needs of the Apprentice School. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to authorize the hiring of part-time instructor(s), as needed, with Chairman and Secretary oversight and approval of the selection and hiring decision.**

D. Purchase of Equipment

Mr. Schaunaman discussed the Apprenticeship Director's need for a truck to haul materials, tow the simulator, and for other various tasks associated with the performance of his duties. Between Board meetings, the Administrative Manager sent a poll via e-mail to the Trustees to vote on the purchase of a pick-up truck at a cost not to exceed $32,000. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to ratify the action taken by the Board of Trustees between Board meetings to approve the purchase of a truck not to exceed $32,000.

V. Attorney's Report

Mr. Eric Venable reported the following:

A. Property Tax Exemption

The property tax exemption for the Fund's Plant City property was received.

B. Payroll Audit Procedures

Mr. Venable discussed the revisions made to the draft Payroll Audit Procedures. The Trustees reviewed the amended Payroll Audit Procedures, a copy of which is attached to and made a part of these minutes as Exhibit B.

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

RESOLVED to adopt the Payroll Audit Procedures as presented.

C. Payroll Audit Proposal

At the August 8, 2018 Board meeting, the Trustees asked the Administrative Manager to obtain a quote from the Fund's audit firm, Gramling and Haya, Certified Public Accountants, PA ("Gramling"), to perform payroll audits. Administrative Manager Clutts obtained the payroll audit proposal from Gramling, a copy of which is attached to and made a part of these minutes as Exhibit C. Mr. Venable said he had reviewed the proposal and had no concerns with it. The Trustees discussed the payroll audit proposal from Gramling. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to hire Gramling under the terms of their payroll audit proposal to perform payroll audits in accordance with the Fund's Payroll Audit Procedures.

The Trustees requested that the Administrative Manager bring a list of contributing employers to the next meeting.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for September 30, 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 September 2018 of $2,784,544.89, total liabilities of $13,524.98, and total equity of $2,771,019.91. She reported that for the month of September 2018, the Fund had total income of $26,111.61 and total expenses of $23,251.93, resulting in net income of $2,859.68.

B. Disbursements

Ms. Clutts presented the expense check register for September 2018 which indicated total disbursements of $15,834.12. She reviewed the payroll check register for September 2018, which indicated total payroll of $7,011.50. 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. International Foundation of Employee Benefit Plans ("IFEBP") Membership

The Fund's IFEBP membership renewal notice was received at a cost of $1,050 for 2019. After discussion on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to renew the IFEBP membership at a cost of $1,050.**

B. Institute for Apprenticeship, Training and Education Programs ("Institute Programs")

Ms. Clutts distributed information about the IFEBP Institute Programs scheduled for January 14 – 16, 2019 in Miami, Florida. She stated that Mr. Lacey could be added to the Fund's IFEBP membership at no additional expense to the Fund and, if added as a member, he could enroll in the Institute Programs for a reduced fee. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to enroll the Apprenticeship Director in the Fund's IFEBP membership and to pay expenses for up to three Trustees and the Apprenticeship Director to attend the IFEBP Institute Programs scheduled for January 14 – 16, 2019.

C. Tower Crane

The Trustees discussed the need for a tower crane for the Apprentice School. A participating Employer, Morrow Equipment Company, L.L.C., has a subsidiary that is a distributor of heavy equipment, including tower cranes. Trustee Sherman will explore available discounts, cost and time frame to purchase and obtain a tower crane. The Trustees asked Fund Counsel to research prohibited transactions guidelines to determine if the purchase of equipment from a subsidiary of a participating employer would be allowable under ERISA guidelines.

D. Backhoe

The Trustees discussed the need for a backhoe for the Apprentice School. Chairman Schaunaman said it would be a benefit for the Apprenticeship Program's participants to become certified on the backhoe. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to purchase a backhoe, at a cost not to exceed $30,000 including freight. Trustee Sherman will obtain bids to establish a fair market value for a backhoe, prior to the purchase of the equipment.

VIII. MEETING DATE AND LOCATION

The next quarterly Board meeting is scheduled for Wednesday, February 13, 2019 at 1:00 p.m. at IUOE Local 487-D925 Union office in Tampa, Florida. The remaining 2019 meetings were scheduled for May 8, August 14, and November 13, 2019.

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 Portfolio Review – November 14, 2018
Exhibit B: Payroll Audit Procedures
Exhibit C: Gramling and Haya, CPA Payroll Audit Proposal
Exhibit D: Income and Expense Statement – September 30, 2018