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, FEBRUARY 13, 2019
TAMPA, FLORIDA

The following Trustees were present:

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

Also present were:

K. Bates – Gramling and Haya Certified Public Accountants, P.A.
D. Clutts – Associated Administrators, LLC
L. DuVall – Associated Administrators, LLC
M. Gramling – Gramling and Haya Certified Public Accountants, P.A.
A. Lacey – 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. AUDITOR'S REPORT

The Trustees welcomed Ms. Krista Bates and Mr. Michael Gramling 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, 2018 and 2017, 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, 2018 and 2017. Ms. Bates reviewed the draft audit and reported that the total liability and net assets as of March 31, 2018 were $2,851,948 compared to $2,480,121 as of March 31, 2017, which represented an increase of $371,827 in net assets. Ms. Bates reviewed the Notes to Financial Statements as of years ended March 31, 2018 and 2017.

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, 2018 and 2017.

B. Payroll Audits

The Trustees discussed the Payroll Audit Procedures approved at the November 14, 2018 Board meeting and reviewed a current list of contributing employers. The Payroll Audit Procedures require that 20% of contributing employers or of sufficient participating employers to constitute 20% of the prior years' contributions to the Fund, be audited each year. The Trustees directed the Administrative Manager to notify Ms. Bates of the employers to be audited. The Administrative Manager will send the selected employers a payroll audit notification letter.

C. 2016 IRS Form 990

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, which is due to be filed by February 15, 2019 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 2018 Form 990 as presented.

Chairman Schaunaman signed the 2018 Form 990 on behalf of the Board.

The Trustees thanked Ms. Bates and Mr. Gramling for their report and they were excused from the meeting.

III. MINUTES

The Trustees reviewed the minutes of the regular meeting held on November 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 November 14, 2018, as presented.**

IV. Legacy Wealth Management ("Legacy")

Ms. Clutts reported that Mr. Tony DuBose, Managing Principal of Legacy Wealth Management, was unable to attend the meeting. Mr. DuBose provided the Fund Office with a report titled "Florida West Cost Operating Engineers Portfolio Review" dated February 11, 2019, a copy of which is attached to and made a part of these minutes as Exhibit B. Ms. Clutts noted that the report had been posted to the Trustee Web Portal prior to the meeting. Ms. Clutts reviewed key information from the report with the Trustees. On October 1, 2018, the portfolio's market value was $995,385.22. The portfolio had an internal rate of return of 1.35%, with an ending market value as of February 8, 2019 of $1,008,863.25.

V. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Adrian Lacey presented the Director's Report dated February 13, 2019, a copy of which is attached to and made a part of these minutes as Exhibit C. He reported the following:

A. Apprentices

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

B. Upgrading the Apprenticeship Program

Mr. Lacey attended the International Foundation of Employee Benefits Plans Institute for Apprenticeship Training and Education in Miami, Florida, on January 14 – 16, 2019. Mr. Lacey and Trustee Sherman participated in the NCCCO accreditation workshop for Mobile Crane Practical Examiner in Fontana, California, on January 29 – 31, 2019. Mr. Lacey is working with

Certified Slings and Supply to offer the apprentices a class on how rigging is made, tested and properly inspected. Mr. Lacey discussed the benefits of offering the apprentices a CPR certification class.

C. Training Classes

Five candidates participated in the CCO practical testing on Saturday, January 12, 2019. Review classes are being held weekly for the NCCCO certification written exam with thirty-four candidates participating. The test date is scheduled for Sunday, March 3, 2019. Mr. Lacey conducted forklift certifications for ten apprentices in the past quarter. Mr. Lacey noted increased attendance and participation by apprentices.

D. Florida State Standards

Mr. Lacey said he will be updating the FWCOE-ATF's Standards of Apprenticeship for the State of Florida. Fund Counsel will review the updated standards prior to their submission.

E. Equipment

Mr. Lacey reported on the repair and upgrade of equipment at the Apprentice School, including the Grove RT630 and the Dozer D7 Cat, among other pieces of equipment.

F. Training Site

Mr. Lacey presented the Trustees with a "To Do" list detailing upgrades, repairs and equipment needed at the Apprentice School, which are detailed on page 3 of the Director's Report, February 13, 2019. The list included a line-rider for the Link-Belt Crawler, an additional concrete slab for CCO testing, roof and electrical repair, and security cameras, among other items. The Trustees discussed the bids that Mr. Lacey obtained for each of the requested items.

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

> **RESOLVED to approve spending up to $130,000 for upgrades, excluding the proposal for equipment painting and the NCCCO Rigger Level 1 and Signalperson Practical Examiner workshop.**

The Fund Office will track the approved expenditures. Chairperson Schaunaman stated that the Fund will need to add new equipment to the commercial insurance policy.

As requested at the November 14, 2018 Board meeting, Mr. Lacey provided the Trustees with a copy of his resume for the Fund's records. The Trustees thanked Mr. Lacey for his report and noted the exceptional effort he is making to improve the Apprenticeship Program.

VI. Attorney's Report

Mr. Venable presented his Attorney's Report dated February 13, 2019, a copy of which is attached to and made a part of these minutes as Exhibit D.

Department of Labor Equal Employment Opportunity Rules

Mr. Eric Venable advised the Trustees that the Department of Labor had recently issued new rules pertaining to Equal Employment Opportunity ("EEO") and Apprenticeship Programs. The new rules require a Voluntary Disability Disclosure Form for current apprentices, as well as applicants and newly employed apprentices for the Apprenticeship Program, a copy of which is attached to and made a part of these minutes as Attachment E. Mr. Venable said he will update the Apprenticeship Program's Affirmative Action Plan to incorporate the new standards. Mr. Venable also recommended EEO and non-discrimination training for the Apprenticeship Program employees involved in the apprentice selection process. Chairperson Schaunaman indicated he will contact the International Union of Operating Engineers regarding any training available from the International. Mr. Venable will research whether video training is acceptable.

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for December 31, 2018, a copy of which is attached to and made a part of these minutes as Exhibit F. Ms. Clutts reported total assets for the month of December 2018 of $2,828,343.53, total liabilities of $15,477.55, and total equity of $2,812,865.98. She reported that for the month of December 2018, the Fund had total income of $38,379.98 and total expenses of $26,475.49, resulting in a deficit for the month of $11,904.49.

B. Disbursements

Ms. Clutts presented the expense check register for December 2018 which indicated total disbursements of $16,628.86. She reviewed the payroll check register for December 2018 which indicated total payroll of $11,162.45.

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

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

VIII. OTHER FUND BUSINESS

Ms. Clutts reported the following:

A. NCCCO Practical Examiner Accreditation Workshop

A Trustee poll was taken between Board meetings to pay costs not to exceed $4,000 for the Apprenticeship Director, Adrian Lacey, and Trustee Sherman to attend the NCCCO Practical Examiner Accreditation Program ("PEAP") Workshop held on January 29 – 31, 2019 in Fontana, California. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to ratify action taken by the Trustees between Board meetings to approve expenses for Apprenticeship Director Lacey and Trustee Sherman to attend the NCCCO PEAP Workshop in Fontana, California, at a total cost not to exceed $4,000.**

B. Metal Doors

A Trustee poll was taken between Board meetings to approve the purchase and installation of metal doors for the shop at the Apprentice School at a cost of $2,330. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to ratify action taken by the Trustees between Board meetings to approve the purchase and installation of metal doors on the shop at the Apprentice School at a cost of $2,330.**

C. Flatbed Trailer

A Trustee poll was taken between Board meetings to approve the purchase and delivery of a flatbed trailer for the Apprentice School at a cost of $5,700. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to ratify action taken by the Trustees between Board meetings to approve the purchase and delivery of a flatbed trailer for the Apprentice School at a cost of $5,700.

D. Fiduciary Liability Insurance Policy Renewal

The Fund Office received a quote to renew the fiduciary liability insurance policy for the policy period March 14, 2019 to March 14, 2020. The insurance broker quoted a $79 increase in premium to $6,144. The increase in premium is due to an increase in Plan assets. Mr. Venable stated that he had received the fiduciary insurance policy renewal from the Fund Office for review between Board meetings. Mr. Venable asked that the Fund Office request clarification of the new policy language: "State of Florida does not allow insurance of punitive damages, fines or penalties and civil penalties." Ms. Clutts said that she would follow up with the insurance broker.

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 Insurance Policy for the period of March 14, 2019 to March 14, 2020 at a cost of $6,144, plus the Trustees' waiver of recourse premium of $150, subject to clarification of the new policy language regarding disallowance of punitive damages, fines or penalties and civil penalties.

E. Worker's Compensation Insurance

The Fund's worker's compensation insurance policy was renewed at a premium of $641 for the period of March 23, 2019 to March 23, 2020 at a slight decrease in premium.

F. Crime Protection Policy

The Fund's crime protection policy was renewed at a premium of $1,128 for the period of March 21, 2019 through March 21, 2022 with no increase in premium.

G. United Members Insurance Refund

The Fund Office received a refund of $1,335.19 from United Members Insurance for commercial package policy changes that were effective April 28, 2018.

H. Spend Threshold

Ms. Clutts stated that a MasterCard credit card had been obtained through PowerNet Credit Union to be used by the Apprenticeship Director to purchase items for the Apprenticeship Program. The

Trustees discussed establishing a spending threshold. After discussion on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the Apprenticeship Director is to notify the Chairman and Secretary of the Board regarding any single item purchase for the Apprenticeship Program that exceeds $2,000.**

Chairman Schaunaman requested that the Administrative Manager have a copy of the MasterCard statements and the Apprenticeship Director's expense reports available at future Board meetings for review by the Trustees.

IX. MEETING DATE AND LOCATION

The next quarterly Board meeting was scheduled for Wednesday, May 8, 2019 at 1:00 p.m. at IUOE Apprentice School site in Plant City, Florida. The remaining 2019 quarterly meeting dates were scheduled for August 14 and November 13, 2019.

X. 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: Financial Statements for Plan Years Ended March 31, 2018 and 2017
Exhibit B: Legacy Wealth Management FWCOE Portfolio Review – February 11, 2019
Exhibit C: Apprenticeship Director's Report – February 13, 2019
Exhibit D: Attorney's Report – February 13, 2019
Exhibit E: Voluntary Disability Disclosure Form
Exhibit F: Income and Expense Statement – December 31, 2018