ASSOCIATED ADMINISTRATORS

May 13, 2020

The Board of Trustees
Florida West Coast Operating Engineers Apprenticeship Trust Fund

Re: Administrative Services Contract Renewal

Trustees:

The administrative services contract between Associated Administrators, LLC ("Associated") and the Florida West Coast Operating Engineers Apprenticeship Trust Fund ("FWCOE-ATF") expires June 30, 2020. We hope that the Trustees will consider favorably our request for a three-year agreement.

Services Recap

Brief recaps of some of the services provided by Associated over the last three years are as follows:

- Tracked monthly expenditures to ensure adequate cash flow.
- Monitored expenses to confirm that invoices paid did not exceed amounts approved by the Board.
- Tracked and accounted for construction expenses related to improvements at the Apprentice School site, including the Tower Crane.
- Coordinated with Legacy Wealth Management on the investment of Fund assets.
- Implemented National Training Fund requirements, including ongoing monthly reporting and remittances to the IUOE National Training Fund.
- Implemented reimbursement procedure for NCCCO testing and CDL physicals.
- Submitted Form 941-Employers Quarterly Federal Tax Return.
- Issued W2 and 1099-MISC forms.
- Reported Unemployment taxes.
- Coordinated with the Fund auditor on the annual audit, Department of Labor and IRS filings and payroll audits.
- Coordinated with Plan professionals including Fund counsel, to meet compliance requirements.
- Completed and submitted applications for Fiduciary Liability, Union Liability Insurance, and Fidelity Bond.

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- Presented records to insurance company representatives in connection with annual Workers Compensation Premium Audits.
- Produced quarterly financial reports.

Associated works hard to control its operating costs, but some are increasing.

- **Employee Benefits**
  Associated's bargaining unit employees participate in a multiemployer Health & Welfare Fund. Medical costs generally increase every year. Our unit employees are covered under a multiemployer Pension Plan. Those rates are scheduled to increase every year for nine years in accord with the Fund's Rehabilitation Plan.

- **Compliance Monitoring**
  Associated continues to provide a compliance monitoring program to help each of our client funds track regulatory reporting requirements, vendor contracts, and required documentation. Failure to comply can result in fines and fees for the Trustees.

- **Information Technology Developments**
  Associated's highest cost increases and deliberate reinvestment have been in Information Technology. We paid over $700,000 in 2019 for system enhancements and support that allow us to better serve our clients and participants and maintain computer security.

- **Postage**
  Associated pays all regular postage on behalf of the Fund, excluding mass mailings. The United States Postal Service implemented a 2.1% rate hike in 2018 and a 10% rate hike in 2019 for first class mail.

Proposed Fee Increases

We propose a three-year contract term. Please see Exhibit A for a full outline of the proposed rates through June 30, 2023.

Associated has assigned to the Fund an Account Executive and an Account Manager with over twenty-five years of benefits fund administrative experience. We use that experience to continuously look for cost efficiencies. Supporting the account team is a staff of **six** employees, which includes staff from our accounting and IT departments. They are dedicated to providing superior services.

We realize that as fiduciaries, the Trustees must be certain that the Fund receives services proportionate in quality and quantity to the fees charged. Associated prides itself on providing excellent service to the Fund and its participants, and we do so at a competitive price.

Associated appreciates the opportunity to serve the Fund and welcomes all questions concerning our proposal.

Sincerely,

Deborah Clutts

Deborah Clutts, CEBS
Account Executive
Associated Administrators, LLC

cc: Eric Venable, Esq.

FLORIDA WEST COAST OPERATING ENGINEERS APPRENTICESHIP TRUST FUND

EXHIBIT A

Fund	Current Fee Per Month	7/01/2020 Through 6/30/2021	7/01/2021 Through 6/30/2022	7/01/2022 Through 6/30/2023
FWCOE-ATF	$2,974	$3,093	$3,248	$3,410

7/01/2020 through 6/30/2023 Hourly Rates for New Regulatory Changes and Implementation of New Vendors:

$100/Hour – IT/Management
$ 60/Hour – Supervisor
$ 30/Hour – Regular Employee