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 12, 2020 PLANT CITY, FLORIDA

The following Trustees were present:

LABOR TRUSTEES	MANAGEMENT TRUSTEES
M. Schaunaman, Chairman	J. Dixon
J. Junecko	D. Carmack
D. Sherman	

Also present were:

K. Bates – Gramling and Haya, CPA's, PA
D. Clutts – Associated Administrators, LLC
A. Lacey – FWCOE Apprenticeship Director

I. CALL TO ORDER

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

New Trustee Acceptance of Trust

Ms. Clutts reported that Trustee Izzo was removed from the Board of Trustees by Mr. Preston Taylor effective January 7, 2020. Mr. Dustin Carmack was appointed as a Trustee by Mr. Preston Taylor between Board meetings. Mr. Carmack was presented with an Acceptance of Trust, indicating his acceptance of duties as a Trustee, a copy of which and is attached to and made a part of these minutes as Exhibit A. Mr. Carmack reviewed and signed the Acceptance of Trust during the meeting.

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on November 13, 2019, 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 13, 2019.**

III. Legacy Wealth Management ("Legacy")

Mr. DuBose from Legacy was unable to attend the meeting. Ms. Clutts distributed a Legacy report titled "Florida West Cost Operating Engineers Portfolio Review" dated February 5, 2020, a copy of which is attached to and made a part of these minutes as Exhibit B. As of February 4, 2020, the portfolio's market value was $1,047,850.81. The portfolio had investment returns for the period of October 1, 2019 through February 4, 2020 of $11,884.15. The internal rate of return for the portfolio was 1.16%. Per the Trustees' direction, the proceeds from the Franklin Synergy Bank CD that matured on December 26, 2019 were deposited into the Fund's operating account to fund expenses related to the installation of the training school's newly purchased tower crane. The report stated that the portfolio does not have any securities on watch or of concern.

IV. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Adrian Lacey presented the Director's Report dated February 12, 2020, a copy of which is attached to and made a part of these minutes as Exhibit C. He reported the following:

A. Apprentices

Seven new apprentices joined the Program since the November Board meeting. A total of forty-one apprentices are enrolled in the Program.

B. Upgrading the Training Program

Mr. Lacey attended a Cardiopulmonary Resuscitation ("CPR") and Automated External Defibrillator ("AED") "Train the Trainer" course in Crosby, Texas on November 18 – 22, 2019. The Trustees discussed the benefits of having the apprentices CPR/AED certified and directed Mr. Lacey to add this training to the Apprentice curriculum. Mr. Lacey also completed an eight-hour training call with CM Labs for the Vortex Simulator on December 4, 2019. Mr. Lacey attended meetings to further the improvement of the Apprentice Program including the Florida West Coast Building Trades meeting held January 8, 2020, the Florida West Coast Apprenticeship Council meeting held January 16, 2020, and a meeting with Tampa District 7 City Councilman, Mr. Luis Viera on January 27, 2020.

C. Training Classes

Fifteen apprentices completed the NCCCO mobile crane exams and two apprentices completed signal person exams during the past quarter. Mr. Lacey conducted forklift certifications for thirteen candidates. Mr. Lacey held classes to review the Rigger Level 1 and Signalperson training materials, as well as forklift operations and safety practices with the apprentices.

Mr. Lacey obtained NCCCO approval for the Apprentice School to become an accredited Tower Crane test site. Once the Tower Crane is erected, Mr. Lacey will begin training apprentices on its operation.

D. School Board of Hillsborough County ("SBHC")

Mr. Lacey confirmed with Hillsborough County that all apprentice applications and action forms are up-to-date. The Smart Tech Interactive Whiteboard was scheduled for pickup.

E. Equipment and Building

Crane inspections were completed on January 6, 2020 by DO Crane Inspections Inc. The Grove RT630, Genie GTH-636, Link-Belt Crawler, Neck Breaker Lorain, Dozer D7 Caterpillar, Case Backhoe, Kubota Lawn Mower, John Deere Gator, John Deere Tractor, and John Deere Bush Hog had various repairs and routine maintenance completed.

Orkin Pest Control treated the Apprentice School building for termites on December 13, 2019, after inspection had revealed an infestation.

F. New Business

Mr. Lacey presented the Trustees with a request to purchase CPR dummies and an AED training machine from the American Red Cross at a cost of $2,661.78, and a request to purchase an AED from Philips HeartStart OnSite AED package at a cost of $1,275.00. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the purchase of CPR dummies and an AED Training machine at a cost of $2,661.78, and to purchase an AED package to be installed at the Apprentice School at a cost of $1,275.00.

Mr. Lacey also requested permission to send the Apprentice School mechanic, Mr. Thomas Richards III, to Potain Schematics classes on May 10 – 15, 2020 and Potain CCS 1 and 2 classes on June 21 – 26, 2020 in Shady Grove, Pennsylvania for the Manitowoc Tower Crane maintenance training. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve sending Mr. Thomas Richards III to Potain Schematics classes on May 10 – 15, 2020 and June 21 – 26, 2020 for classes on the Manitowoc Tower Crane maintenance at a cost not to exceed $7,500.

Mr. Lacey presented the Trustees with bids detailing installation and site preparation needed for the Tower Crane, detailed on pages 7 and 8 of the Director's Report, February 12, 2020. In keeping with the previous motion approved for all costs related to the construction of the Tower Crane, the Trustees considered the proposals received and accepted the following bids:

- Tower Crane Counterweights at a cost of $3,947.40, Stonewood General Contractors
- Tower Crane LED Sign at a cost of $8,948.00, Dee Sign
- Tower Crane Erection at a cost not to exceed $15,345.00, Fat Boyz Erecting LLC
- Tower Crane Wall Pipe at a cost of $3,660, Steel and Pipe Supply, Inc.

The Trustees thanked Mr. Lacey for his report.

V. ATTORNEY'S REPORT

A. Florida State Standards of Apprenticeship ("Standards")

Mr. Venable was unable to attend the meeting. Ms. Clutts said Mr. Venable communicated with her that the standards needed to be reviewed by the Trustees and approved. Mr. Lacey said that the updated standards were included in the Director's Report dated February 12, 2020. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the revised Florida State Standards of Apprenticeship.**

The Trustees signed the revised Standards and directed that Mr. Lacey file the approved Standards with Mr. Steven Seville, Florida Department of Education.

B. <u>Acceptance of Trust</u>

Ms. Clutts reported that Mr. Venable had drafted the Acceptance of Trust which was presented to Mr. Carmack for his review and signature.

VI. <u>Auditor's Report</u>

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

A. <u>Financial Statement</u>

Ms. Bates reviewed the draft Financial Statements for Plan years ended March 31, 2019 and 2018, a copy of which is attached to and made a part of these minutes as Exhibit D. 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, 2019 and 2018. Ms. Bates reviewed the draft audit and reported that the total liability and net assets as of March 31, 2019 were $2,774,848 compared to $2,851,948 as of March 31, 2018, which represented a decrease of $77,100 in net assets. Ms. Bates reviewed the Notes to Financial Statements for years ended March 31, 2019 and 2018.

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, 2019 and 2018.**

B. Payroll Audits

Ms. Bates reported that three payroll audits were in process; Maxim Crane, Moretrench Environmental Services, and North American Crane and Rigging.

C. 2019 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, 2020 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 2019 Form 990 as presented.

Chairman Schaunaman signed the 2019 Form 990 on behalf of the Board during the meeting.

D. Conflict of Interest Policy

Ms. Bates said that she had reviewed the Fund's Conflict of Interest Policy as part of the annual Audit. Ms. Bates distributed "Conflict of Interest Certification and Disclosure" forms for each Trustee to review and complete. Ms. Clutts informed the Trustees that Fund Counsel had reviewed the "Conflict of Interest Certification and Disclosure" form and he agreed that it is a prudent measure for the Fund. Ms. Clutts said she would return the completed forms to Ms. Bates and retain copies at the Fund office.

E. Engagement Letter

Ms. Bates provided the Trustees with an audit engagement letter for the Plan year April 1, 2019 through March 31, 2020. She said that no increase in hourly rates was proposed over the prior Plan year.

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

The Trustees discussed the proposed audit engagement letter. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the audit engagement of Gramling and Haya CPAs, PC for the Plan year April 1, 2019 through March 31, 2020 as presented.

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for December 31, 2019, a copy of which is attached to and made a part of these minutes as Exhibit E. Ms. Clutts reported total assets for the month of December 2019 of $2,937,614.22, compared to $2,828,343.53 in December 2018. Ms. Clutts presented a Comparative Income Statement for the twelve months ended December 31, 2019. She reported that for the month of December 2019, the Fund had total income of $35,560.08 and total expenses of $37,800.10, resulting in a deficit of $2,240.02 for the month.

B. Disbursements

Ms. Clutts presented the expense check register for December 2019, which indicated total disbursements of $27,644.53. She reviewed the payroll check register for December 2019, which indicated total payroll of $18,510.41. 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. Fiduciary Liability Insurance Policy Renewal

The Fund Office received a quote to renew the fiduciary liability insurance policy for the policy period March 14, 2020 to March 14, 2021 for a cost of $6,144, plus $175 waiver of recourse premium for the Trustees and Apprentice Director, representing no increase in premium. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve renewal of the Fiduciary Liability Insurance Policy for the period of March 14, 2020 to March 14, 2021 at a cost of $6,144 plus $175 waiver of recourse premium for the Trustees and Apprentice Director.

Ms. Clutts noted that Mr. Izzo was removed from the fiduciary liability and fidelity bond policies effective January 7, 2020 and Mr. Carmack will be added to the fiduciary liability and fidelity bond policies effective February 12, 2020.

B. Worker's Compensation Insurance

The Fund's worker's compensation insurance policy was renewed at a premium of $921 for the period of March 23, 2020 to March 23, 2021 at a $280 increase in premium, due to the increase in the number of employees at the Apprentice School.

C. National Training Fund ("NTF")

The NTF Agreement approved at the November 13, 2019 Board meeting was signed by Chairman Schaunaman and Secretary Taylor between Board meetings.

IX. MEETING DATES AND LOCATION

The next quarterly Board meeting is scheduled for Wednesday, May 13, 2020 at 1:00 p.m. at the IUOE Apprentice School site in Plant City, Florida. The remaining meetings were scheduled for August 12, and November 11, 2020.

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: Acceptance of Trust, Dustin Carmack
Exhibit B: Legacy Wealth Management FWCOE Portfolio Review – February 5, 2020
Exhibit C: Apprenticeship Director's Report – February 12, 2020
Exhibit D: Financial Statement for Plan Years Ended March 31, 2019 and 2018
Exhibit E: Income and Expense Statement – December 31, 2019