International Union of Operating Engineers
Local 487 Pension Fund
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**MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 487 PENSION FUND
THURSDAY, FEBRUARY 6, 2014
MIAMI LAKES, FLORIDA**

The following Trustees were present:

LABOR TRUSTEES	MANAGEMENT TRUSTEES
M. Schaunaman, Chairman	J. Turk, Secretary
J. Mullen	J. Epperson
S. Singer	M. Harrison

Also present were:

L. DuVall – Associated Administrators, LLC
D. Haverly – SEI Global Institutional Group
R. Joyner – The Segal Company
D. McCullers – Apprenticeship Director
K. Phillips – Phillips, Richards, & Rind, PA

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 November 21, 2013, 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 21, 2013 as presented.**

III. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. DuVall reviewed the Income and Expense Statement for December 31, 2013, a copy of which is attached to and made a part of these minutes as Exhibit A. She reported that total assets for the month of December 2013 were $56,604,210.75. She reported that the Fund had total income for the month in the amount of $894,269.08 and total expenses in the amount of $441,860.96, resulting in a total net income of $452,408.12 for the month of December 2013. Ms. DuVall reviewed the income and expenses on the twelve-month rolling Comparative Income Statement.

B. Disbursements

Ms. DuVall presented the expense check register for September 2013, which indicated total disbursements of $18,599.66.

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

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

C. Pension Benefit Report

Ms. DuVall presented the pension benefit report for the period October through December 2013. She reviewed the pension roll, applications approved for payment, changes and adjustments, reinstatements, administrative holds, and deceased retirees.

Ms. DuVall presented a list of pension applications submitted for Trustee approval, a copy of which is attached to and made a part of these minutes as Exhibit B. After discussion and on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the pension applications for Allen Hoag and Domingo Martinez were approved as presented.**

IV. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Mr. Don Haverly from SEI Global Institutional Group ("SEI") to the meeting.

Performance Report

Mr. Haverly distributed SEI's investment management report dated February 6, 2014, a copy of which is attached to and made a part of these minutes as Exhibit C. Mr. Haverly stated that the market value of the Fund assets in the total portfolio as of December 31, 2013 was $55,887,137. He stated that the Fund's SEI only portfolio had a net return of 11.81% compared to the total index return of 10.82% for the period June 1, 2010 to December 31, 2013. He said that the fiscal year-to-date net return was 10.34% compared to the total index return of 9.54%. Haverly stated that the asset allocation was 44.1% In U.S. equity, 35.6% in fixed income, 10.5% in world equity x-U.S. and 9.9% in real estate.

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

V. ACTUARY'S REPORT

The Trustees welcomed Mr. Rocky Joyner from The Segal Company to the meeting.

A. Actuarial Valuation and Review as of April 1, 2013

Mr. Joyner reviewed with the Trustees the Actuarial Valuation and Review as of April 1, 2013, a copy of which is attached to and made a part of these minutes as Exhibit D. He stated that the Valuation establishes the funding requirements for the current year and analyzes the preceding year's experience. He stated that the report summarizes the actuarial data and includes the certification required to be filed with the Fund's Form 5500.

B. Merger Study

Mr. Joyner reported that all information had been exchanged with the Central Pension Fund of the IUOE and Participating Employers ("CPF"). He stated that there are differences in assumptions between the two Funds. He stated that from a financial standpoint, the merger makes economic sense but that the Trustees will need to consider other factors, depending on the merger options offered by the CPF. He said that the CPF Board of Trustees is scheduled to meet on February 11, 2014.

C. Pension Protection Act of 2006 ("PPA")

Mr. Joyner stated that the PPA rules, which provide strict funding rules for multiemployer pension plans, are scheduled to sunset on December 31, 2014. He said that since the Fund's Plan is in the green zone, the sunset will be a non-event for the Fund.

The Trustees thanked Mr. Joyner for his report and he was excused from the meeting.

VI. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled Trustees' Report dated February 6, 2014, a copy of which is attached to and made a part of these minutes as Exhibit E.

A. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving Beyel Brothers, Inc., Bunnell, Little Steve Florida, LLC, Powermix Industries, Seaward Services, Inc. and Zeiger Crane Rental, Inc.

Bunnell Foundation, Inc. ("Bunnell")

Ms. Phillips said that Bunnell had been delinquent in payment of contributions since October 2013. Chairman Schaunaman stated that he had spoken with the bookkeeper at Bunnell and she promised that Bunnell would issue payment today for all contributions due the Fund. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to authorize Fund Counsel to file legal action against Bunnell unless Bunnell issues payment today for at least three months of contributions owed to the Fund.**

Mr. Joyner suggested that the Trustees might want to determine Bunnell's withdrawal liability obligation to the Fund. The Board agreed and authorized Segal to perform the necessary calculations to determine Bunnell's withdrawal liability obligation to the Fund.

Powermix Industries ("Powermix")

Ms. Phillips stated that in November 2012, Powermix requested a full waiver of service fees in the amount of $5,104.09 due to its inability to pay. In accordance with instructions from the Trustees at the November 2012 Board meeting, the request from Powermix was to be re-evaluated in a year. She reported that Powermix remains an active corporation with the Florida Division of Corporations, but it is not employing operating engineers. She said the Union had advised that Powermix is an active corporation and is believed to be leasing its yard to B&M Foundation. She recommended that efforts be made to collect the delinquent service fees. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to authorize Fund counsel to send a demand letter to Powermix Industries to collect $5,104.09 in service fees owed to the Fund, in accordance with the Fund's Audit and Collection Procedures.**

Seaward Services, Inc. ("Seaward")

Ms. Phillips recommended waiving service fees in the amount of $267.80 incurred by Seaward for late payment of contributions for September 2013, given that it only employed operating engineers in September 2013, the project was complete, and the costs of collection would likely exceed that which is collectable. She said that the Fund's Audit and Collection Procedures provide for waivers once in a three-year rolling period and for no more than a two-month consecutive period; therefore, Seaward is eligible for a waiver. After discussion, on Motion made and seconded, Trustees voted unanimous approval of the following resolution:

> **RESOLVED to write off service fees incurred by Seaward Services, Inc. in the amount of $267.80 for the month of September 2013, in accordance with the Fund's Audit and Collection Procedures.**

VII. Executive Session

The Trustees called an Executive Session for discussion with Fund counsel concerning Plan changes requested by the Internal Revenue Service ("IRS") during its review of the Plan's Cycle E restatement and application for a favorable determination. During the Executive Session, the Trustees voted unanimous approval of the following resolutions:

> **RESOLVED to** adopt Amendment No. 1 to the Plan, as presented by Fund Counsel.

FURTHER RESOLVED to authorize Fund counsel to negotiate with the IRS on any monetary sanction imposed by the IRS and to execute a closing agreement with the IRS.

FURTHER RESOLVED to authorize Fund counsel to pursue a claim under the Fund's Fiduciary Liability Policy to recover the amount of any monetary sanction imposed by the IRS.

Thereafter, the Trustees adjourned the Executive Session and reconvened the regular Board meeting.

VIII. OTHER FUND BUSINESS

A. Fiduciary Liability Insurance Renewal and Waiver of Recourse Premiums

Ms. DuVall reported that the Fund's Fiduciary Liability insurance policy was renewed for the policy period January 1, 2014 to January 1, 2015.

B. Summary Plan Information Notice 104(d)

Ms. DuVall said that the Summary Plan Information Notice for Plan year beginning April 1, 2013, required by ERISA 104(d), was mailed to the participating Employers and Union on December 4, 2013.

C. Comprehensive Filing with the Pension Benefit Guaranty Corporation ("PBGC")

Ms. DuVall stated that the Fund's Comprehensive Filing with the PBGC for the Plan year beginning April 1, 2013 was completed on January 2, 2014. The Fund received a $264.34 refund on January 27, 2014.

D. Audit Engagement for Plan Year Ending March 31, 2014

Ms. DuVall presented an audit engagement letter from SI Gordon & Company ("SI Gordon"), which was reviewed by Fund counsel, a copy of which is attached to and made a part of these minutes as Exhibit F. She stated that SI Gordon was asking for a $400 fee cap increase over the prior year's audit fee, raising the fee cap to $9,300. She noted that a review of Fund records indicated that the existing audit engagement fee had been unchanged since 2009. After discussion, on Motion made and seconded, Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the audit engagement of S I Gordon & Company for the Plan year ending March 31, 2014 as presented.

The SI Gordon audit engagement letter was signed by Board Chairman and Secretary.

IX. NEXT MEETING DATE AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, May 22, 2014 at 10:00 a.m. in Miami Lakes, Florida. The remaining quarterly meetings were scheduled for August 21, 2014 and November 20, 2014.

X. ADJOURNMENT

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

Respectfully submitted,

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Jonathan Turk, Fund Secretary

These Minutes were adopted on ______________________________

Attachments:
Exhibit A: Income and Expense Statement, December 31, 2013
Exhibit B: Pension Applications Submitted for Approval, October through December 2013
Exhibit C: SEI Investment Management Report, February 6, 2014
Exhibit D: Actuarial Valuation and Review as of April 1, 2013
Exhibit E: Trustees' Report from Fund Counsel, February 6, 2014
Exhibit F: S I Gordon Audit Engagement Letter for Plan Year Ending March 31, 2014