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Apprentice & Training Fund
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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE SOUTH FLORIDA OPERATING ENGINEERS APPRENTICE AND TRAINING FUND THURSDAY, MAY 11, 2017 MIAMI LAKES, FLORIDA

The following Trustees were present:

LABOR TRUSTEES	MANAGEMENT TRUSTEES
M. Schaunaman, Chairman	J. Epperson
J. Mullen	M. Harrison
S. Singer	F. Villella
W. Utreras	

Also present were:

D. Clutts – Associated Administrators, LLC
L. DuVall – Associated Administrators, LLC
J. Hart – SEI Global Institutional Group (via teleconference)
D. McCullers – Apprenticeship Director
E. Naegele – The Segal Company
K. Phillips – Phillips, Richard & 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 February 9, 2017, 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 February 9, 2017 as presented.

III. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Mr. John Hart from SEI Global Institutional Group ("SEI") to the meeting via teleconference.

Performance Report

Mr. Hart discussed SEI's investment management report dated May 11, 2017, a copy of which is attached to and made a part of these minutes as Exhibit A. Mr. Hart stated that the market value of the Fund assets in the total portfolio as of March 31, 2017 was $599,115.84. The fiscal year-to-date net return was 6.05% compared to the total index return of 5.51%. The Fund's total portfolio had a net return of 4.29% compared to the total index return of 3.28% for the period June 1, 2010 to March 31, 2017. The asset allocation was 73.5% in fixed income and 26.5% in equity.

Mr. Hart said that SEI had determined it would implement changes to sub-advisors on the World Equity Ex-US and Large Cap Funds, which will not result in increases to SEI fees.

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

IV. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Daniel McCullers presented the Director's Report dated May 11, 2017, a copy of which is attached to and made a part of these minutes as Exhibit B. He reported the following:

A. Apprentices

Two apprentices joined and eight were released since the last Board meeting. Sixty-seven apprentices are enrolled in the Program.

B. Upgrading the Apprenticeship Program

He attended the monthly United Joint Apprentice Council ("UJAC") and Palm Coast Joint Apprenticeship Council Conference meetings. He attended the South Florida Safety Alliance meeting on April 5, 2017 in Miramar, Florida; participated in the Cooper City High School Annual College Career Fair on February 13, 2017 with the simulator; and participated in the career event at All Crane on February 14, 2017 in Tampa, Florida with the simulator.

C. 59th Annual Florida Apprenticeship Conference

The 59th Annual Florida Apprenticeship Conference is scheduled for July 11 – 14, 2017 in Cocoa Beach, Florida. The cost for the Director to attend is approximately $700. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve travel expenses not to exceed $700 for the Apprenticeship Director to attend the 59th Annual Florida Apprenticeship Conference, July 11 – 14, 2017, in Cocoa Beach, Florida.

D. IUOE National Training Fund Regional Conference

The IUOE National Training Fund Regional Conference is scheduled for September 13 and 14, 2017 in Atlanta, Georgia. The cost for the Director to attend is approximately $1,000. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve travel expenses not to exceed $1,000 for the Apprenticeship Director to attend the IUOE National Training Fund Regional Conference, September 13 and 14, 2017, in Atlanta, Georgia.

E. Apprenticeship Classes

The NCCCO written review was administered on February 12, 2017. The NCCCO written test was administered on February 19, 2017. Ten Forklift certifications and sixteen re-certifications were issued. The Department of Transportation Flagging Class was scheduled for May 6, 2017. Eighty-six members attended the written six-week NCCCO written prep classes from January 8 to February 12, 2017. Study materials for the NCCCO written prep classes cost approximately $5,000. A calendar of upcoming classes for 2017 was distributed at the Union Hall.

F. School Board of Broward County ("SBBC")

The Apprentice Program received a check from the SBBC in the amount of $77,360.40 for the contract period January 1, 2017 to June 30, 2017.

G. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. Body repair and painting have been completed on the 400 series Boom Truck donated by MJ Harrison Crane.

H. Training Center

Twenty-one NCCCO practical exams were administered at the Training Center. Forty-five visitors logged in on the on-site visitor list during the first quarter 2017. Training materials continue to be available to apprentices via email. However, members continue to request a large number of paper copies. The 2017 annual picnic and apprentice graduation was held on March 12, 2017.

V. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled "Trustees Report" dated May 11, 2017, a copy of which is attached to and made a part of these minutes as Exhibit C.

A. Conflict of Interest and Whistleblower Policy – Annual Certification

Ms. Phillips distributed to the Trustees a copy of the Fund's Conflict of Interest and Whistleblower Policy. She provided each Trustee with a Conflict of Interest and Whistleblower Certificate form to complete and sign. Each Trustee present at the meeting completed and signed a Certificate during the Board meeting.

B. Delinquency and Collections

Ms. Phillips provided an update on the delinquency and collection matters involving Pre-Con Construction, Inc., Betancourt Construction, Inc., Day & Zimmerman, Inc., DLS Prestressed, Inc., HJ Foundation Company, JAM Shell Builders, Inc., Lexington Design & Fabrication, Inc., Liberty Equipment and Supply, LLC, and Zeiger Crane Rental, Inc. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the waiver of prior service fees for employers with no waiver requests in the past three years, in accordance with the Delinquency & Collections policy, from the date the service fees were incurred.**

Betancourt Construction, Inc. ("Betancourt")

Ms. Phillips reported that Betancourt requested a waiver of service fees in the amount of $216.78 for the late payment of its January 2017 contributions. Ms. Phillips stated that the Fund's Audit and Collections Procedures provide for waivers of service fees once in a three-year rolling period and that Betancourt is eligible for a waiver. The Fund's Collection Committee reviewed the request and granted the waiver in accordance with the Fund's Audit

policy. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to waive service fees in the amount of $216.78, in accordance with the Fund's Audit and Collections Procedures.

Day & Zimmermann, Inc. ("Day & Zimmermann")

Ms. Phillips reported that Day & Zimmermann requested a waiver of service fees in the amount of $282.73 for the late payment of July 27, 2015 through July 31, 2015 contributions. Ms. Phillips stated that the Fund's Audit and Collections Procedures provide for waivers of service fees once in a three-year rolling period and that Day & Zimmermann is eligible for a waiver. The Fund's Collection Committee reviewed the request and granted the waiver in accordance with the Fund's Audit policy. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to waive service fees in the amount of $282.73, in accordance with the Fund's Audit and Collections Procedures.

DLS Prestressed, Inc. ("DLS")

Ms. Phillips reported that DLS requested a waiver of service fees in the amount of $372.99 for the late payment of its December 2015 contributions. Ms. Phillips stated that the Fund's Audit and Collections Procedures provide for waivers of service fees once in a three-year rolling period and that DLS is eligible for a waiver. The Fund's Collection Committee reviewed the request and granted the waiver in accordance with the Fund's Audit policy. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to waive service fees in the amount of $372.99, in accordance with the Fund's Audit and Collections Procedures.

HJ Foundation Company ("HJ Foundation")

Ms. Phillips reported that HJ Foundation requested a waiver of service fees in the amount of $5,279.36 for the late payment of its January 2017 contributions. Ms. Phillips stated that the Fund's Audit and Collections Procedures provide for waivers of service fees once in a three-year rolling period and that HJ Foundation is eligible for a waiver. The Fund's Collection Committee reviewed the request and granted the waiver in accordance with the Fund's Audit

policy. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to waive service fees in the amount of $5,279.36, in accordance with the Fund's Audit and Collections Procedures.

J.A.M. Shell Builders, Inc. ("J.A.M. Shell")

Ms. Phillips reported that J.A.M. Shell owes service fees totaling $308.66 for late payment of its March 2009 contributions. She recommended that the Board waive the service fees. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to waive service fees in the amount of $308.66, in accordance with the Fund's Audit and Collections Procedure.

Lexington Design & Fabrication, Inc. ("Lexington")

Ms. Phillips said that Lexington owes service fees totaling $619.46 for late payment of its March through June 2016 and August through September 2016 contributions. She recommended that the Board waive the service fees. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to waive service fees in the amount of $619.46, in accordance with the Fund's Audit and Collections Procedure.

Liberty Equipment and Supply, LLC ("Liberty")

Ms. Phillips reported that Liberty requested a waiver of service fees in the amount of $1,333.62 for the late payment of its July 2015 contributions. Ms. Phillips stated that the Fund's Audit and Collections Procedures provide for waivers of service fees once in a three-year rolling period and that Liberty is eligible for a waiver. The Fund's Collection Committee reviewed the request and granted the waiver in accordance with the Fund's Audit policy. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to waive service fees in the amount of $1,333.62, in accordance with the Fund's Audit and Collections Procedures.

C. Payroll Audits

Ms. Phillips provided the following payroll audit status report:

Alberici Constructors, Inc. ("Alberici")

The random audit of Alberici found that it complied with the Collective Bargaining Agreement during the period October 1, 2014 through September 30, 2016 as it related to fringe benefit contribution requirements.

RW Harris

The random audit of RW Harris found that it complied with the Collective Bargaining Agreement during the period October 1, 2014 through September 30, 2016 as it related to fringe benefit contribution requirements.

Ms. Phillips reported that random payroll audits are in process on Amquip Crane Rental, LLC, Day & Zimmerman/NPS Energy Service (two locations), and Maxim Crane Works.

D. Replacement of Air Conditioning Unit at Training Center

Ms. Phillips reported that the Trustees were polled between regular Board meetings and approved a quote of $3,942 for Edd Helms to replace the air conditioning unit at the Training Center. 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 hire Edd Helms at an expense of $3,942 to replace the air conditioning unit at the Training Center.

E. Kabat, Schertzer, De La Torre, Taraboulos & Company ("KSDT") Audit Engagement for Plan Year Ended March 31, 2017

Ms. Phillips said that KSDT provided an engagement letter for the audit of Plan year ended March 31, 2017 for Trustee approval, which included an increase of approximately 3% in fees over the prior year. Ms. Phillips noted that there had been a lack of responsiveness on the part of KSDT regarding payroll audits and other issues. After discussion, the Trustees authorized Ms. Phillips to research and prepare a list of three local Florida auditors, to recommend one auditor, and to poll the Trustees between regular Board meetings in order to contract Fund auditing services. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to authorize Fund counsel to research and prepare a list of three local Florida auditors, to recommend one auditor, and to poll the Trustees between regular Board meetings in order to contract Fund auditing services.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for March 31, 2017, a copy of which is attached to and made a part of these minutes as Exhibit D. She reported total assets for the month of March 2017 were $2,953,868.56 compared to $2,423,987.87 in March 2016. Ms. Clutts presented a Comparative Income Statement for the twelve months ended March 31, 2017. She reported that for the month of March 2017, the Fund had total receipts of $239,079.95 and total expenses of $45,296.16, resulting in a surplus of $193,783.79.

Ms. DuVall stated that the Fund's account at SunTrust Bank had a balance of $707,972.84 as of March 31, 2017. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to transfer $250,000 to the Fund's investment portfolio managed by SEI.

B. Disbursements

Ms. Clutts presented the expense check register for March 2017, which indicated total disbursements of $25,815.10. She reviewed the payroll check register for March 2017, which indicated total payroll of $19,980.15.

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. DuVall reported the following:

Apprentice Selection Insurance Coverage

The Apprentice Selection Insurance Policy was renewed for the policy period March 1, 2017 through March 1, 2018.

VIII. NEXT MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, August 10, 2017 at 10:00 a.m. in Miami Lakes, Florida. The remaining quarterly Board meeting was scheduled for November 10, 2017.

IX. ADJOURNMENT

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

Respectfully submitted,

_____

Jack Epperson

These Minutes were adopted on _____.

Exhibit A: SEI Investment Management Report, May 11, 2017
Exhibit B: Apprenticeship Director's Report dated May 11, 2017
Exhibit C: Trustees Report from Fund Counsel, May 11, 2017
Exhibit D: Income and Expense Statement, March 31, 2017