South Florida Operating Engineers
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, AUGUST 10, 2017
MIAMI LAKES, FLORIDA**

The following Trustees were present:

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

Also present were:

D. Bellows-Levine – Bellows Associates P.A.
D. Clutts – Associated Administrators, LLC
L. DuVall – Associated Administrators, LLC
J. Hart – SEI Global Institutional Group
D. McCullers – Apprenticeship Director
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 May 11, 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 May 11, 2017 as presented.**

III. AUDITOR'S REPORT

Ms. Phillips said that between meetings, the Trustees reviewed requests for proposals submitted by three audit firms, seeking to perform audit work for the Fund, including Bellows Associates, P.A. ("Bellows"), Steven D. Eisenberg, P.A., and Catarina and Givens, P.A. The Trustees voted unanimously to hire Bellows to replace the current Fund auditor, Kabat, Schertzer, DeLaTorre, Taraboulos and Company ("KSDT"). On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to ratify the action taken by the Trustees to approve hiring Bellows Associates, P.A. as Fund auditor for the SFOE Apprentice and Training Fund for the fiscal years ended March 31, 2017, March 31, 2018 and March 31, 2019 at a cost of $7,200 for fiscal year ended March 31, 2017, with an increase of 3% annually for each of the remaining two fiscal years.**

The Trustees welcomed Ms. Dina Bellows-Levine from Bellows to the meeting. Ms. Bellows-Levine thanked the Trustees for engaging Bellows. She reported that Bellows' staff had performed fieldwork for the annual audit of the Fund at the Administrative Manager's offices in Sparks, Maryland, on July 17, 18 and 19, 2017. Ms. Bellows-Levine stated that Bellows will file an extension by August 15, 2017 for the IRS Return of Organizations Exempt From Income Taxes Form 990 for the Plan year ended March 31, 2017.

Ms. Bellows-Levine presented engagement letters for the annual audit, the preparation of IRS Form 5500, the preparation of IRS Form 990, and for the performance of payroll audits, copies of which are attached to and made a part of these minutes as Exhibit A. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the engagement of Bellows Associates, P.A. to perform the annual audit and tax preparation of the Fund as proposed in the engagement letters dated June 5, 2017, and to perform payroll audits for the Fund as proposed in the engagement letter dated June 20, 2017.**

Chairman Schaunaman signed the engagement letters on behalf of the Board during the meeting. The Trustees thanked Ms. Bellows-Levine for her report and excused her from the meeting.

IV. INVESTMENT CONSULTANT'S REPORT

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

Performance Report

Mr. Hart discussed SEI's investment management report dated August 10, 2017, a copy of which is attached to and made a part of these minutes as Exhibit B. Mr. Hart stated that the market value of the Fund assets in the total portfolio as of June 30, 2017 was $861,242.73. The fiscal year-to-date net return was 4.07% compared to the total index return of 3.89%. The Fund's total portfolio had a net return of 4.40% compared to the total index return of 3.40% for the period June 1, 2010 to June 30, 2017. The asset allocation was 73.7% in fixed income and 26.3% in equity. Mr. Hart informed the Trustees about investment manager changes, including the terminations of Brown Investment Advisory, Inc. and Ivy Investments, and the hiring of Coho Partners and Fiera Capital Inc. Mr. Hart reviewed asset investment change recommendations with the Trustees. After discussion, the Board agreed that asset investment changes are to be determined by SEI within the asset allocation guidelines set forth in the Fund's Investment Policy Statement.

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

V. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Daniel McCullers presented the Director's Report dated August 10, 2017, a copy of which is attached to and made a part of these minutes as Exhibit C. He reported the following:

A. Apprentices

Nine apprentices joined, five apprentices were released, and one apprentice graduated since the last Board meeting. Seventy-one 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 Florida Apprenticeship Conference on July 11-14, 2017 in Cocoa Beach, Florida. He will attend the IUOE National Training Fund Regional conference on September 13-14, 2017 in Atlanta, Georgia. He participated in the U Network event on August 5, 2017 at the University of Miami.

C. Building and Construction Trades Apprenticeship Training Conference

The Building and Construction Trades Apprenticeship Training Conference is scheduled for October 4-5, 2017 in Ann Arbor, Michigan. The cost for the Director to attend is approximately $1,200. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve travel expenses not to exceed $1,200 for the Apprenticeship Director to attend the Building and Construction Trades Apprenticeship Training Conference on October 4-5, 2017 in Ann Arbor, Michigan.**

D. Apprenticeship Classes

A calendar of upcoming classes for 2017 was distributed at the Union Hall. The NCCCO written review was administered on February 12, 2017. A Backhoe Certification class was held on June 10, 2017. A Rigging Certification Class is scheduled for August 19-20, 2017. A Signaling Certification class is scheduled for September 23-24, 2017 and an OSHA 10 class is scheduled for October 7-8, 2017.

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

The Apprentice School hired a part-time instructor to meet the SBBC requirement to provide one instructor for every 25 apprentices. The instructor wage rates were applied as previously approved.

F. School Board of Dade County ("SBDC")

The SBDC is establishing a pre-apprenticeship program for certain high schools. The Apprentice School has been asked to sponsor and participate in this program. Further information about the program will be provided to the Trustees for consideration when it becomes available.

G. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. Two tires were purchased for the Loraine RT-180 Crane. The work order cost amount is $2,286.62, although the final invoice has not been received. New bases were constructed for the CCO course due to weather-related deterioration in the existing bases. The CCO slabs and weights were repainted. Computer-aided design drawings for the National 400 Boom Truck were received. A test weight for the Boom Truck has been built and is ready to be used for CCO testing. Transmission lines and cooling system on the grader have been repaired. Brake lines on the P&H 9125 Crane (140 ton) have been repaired. Steel has been purchased and replacement of rusted metal on the P&H 430 Crane is in progress. At this point, the cost is $444.00, not including labor and paint.

H. Training Center

Twelve NCCCO practical exams were administered, ten apprentices passed and two failed. Forty-six visitors logged in on the on-site visitor list during the second quarter 2017. Training materials continue to be available to apprentices via email. However, members continue to request a large number of paper copies. Additional copies will be ordered. Additional copies of training materials from the Educational Testing Service for the CCO class have been ordered at a cost of $2,905.58. The palm trees at the Training Center were fertilized.

Information is being compiled regarding construction of a new Training Center. A budget proposal from Itasca Construction Associates, Inc. ("Itasca") was distributed. Itasca proposed building a 7,500 square foot training facility located in Pembroke Pines, Florida at a projected total cost of $1,424,707 ($189.96 per square foot).

VI. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled "Trustees Report" dated August 10, 2017, a copy of which is attached to and made a part of these minutes as Exhibit D.

A. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving Pre-Con Construction, Inc., Lexington Design & Fabrication, Inc., Sims Crane & Equipment Company Inc., and Zeiger Crane Rental, Inc.

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

Ms. Phillips said that Lexington owes service fees of $619.49 for late payments of its March, April, May, June, August and September 2016 contributions. The employer is no longer in business and the bonding company had to finish this employer's last job. Ms. Phillips recommended writing off the service fees of $619.49 as uncollectable, in accordance with the Fund's Collection and Audit Procedures.

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

> **RESOLVED to write off service fees owed by Lexington in the amount of $619.49 as uncollectable, in accordance with the Fund's Collection and Audit Procedures.**

Sims Crane & Equipment Co. ("Sims")

Sims requested a waiver of service fees totaling $564.41 for the late remittance of its January through May 2017 contributions. Ms. Phillips advised that Sims had last received a waiver of service fees in August 2010. In accordance with the Fund's Collection and Audit Procedures, Sims is eligible for a waiver of two consecutive months of service fees.

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

> **RESOLVED to approve Sims' waiver of service fees, in accordance with the Fund's Collection and Audit Procedures, for two consecutive months at the company's selection.**

B. 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 as it related to fringe benefit contribution requirements. A letter was sent to Alberici on June 7, 2017 advising of no delinquency.

Amquip Crane Rental, LLC ("Amquip")

KSDT did not begin work on the payroll audit of Amquip. Therefore, the payroll audit has been reassigned to Bellows. Amquip was notified by letter dated August 9, 2017 of the audit reassignment.

Day & Zimmerman/NPS Energy Source ("Day & Zimmerman")

Day & Zimmerman's payroll audit is in process and will be completed by KSDT.

Maxim Crane Works ("Maxim")

Maxim's payroll audit is in process and will be completed by KSDT.

RW Harris ("Harris")

The random audit of Harris found that it complied with the Collective Bargaining Agreement as it related to fringe benefit contribution requirements. A letter was sent to Harris on June 7, 2017 advising of no delinquency.

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for June 30, 2017, a copy of which is attached to and made a part of these minutes as Exhibit E. She reported total assets for the month of June 2017 were $2,977,238.17 compared to $2,414,497.47 in June 2016. Ms. Clutts presented a Comparative Income Statement for the twelve months ended June 30, 2017. She reported that for the month of June 2017, the Fund had total receipts of $59,051.92 and total expenses of $34,633.92, resulting in a surplus of $24,418.00.

B. Disbursements

Ms. Clutts presented the expense check register for June 2017, which indicated total disbursements of $20,311.96. She reviewed the payroll check register for June 2017, which indicated total payroll of $14,833.34.

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

Annual Foreign Bank Account Report ("FBAR")

Ms. Clutts reported that SEI confirmed that none of the investments in the Fund's portfolio were subject to FBAR filing.

IX. NEXT MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, November 9, 2017 at 10:00 a.m. in Miami Lakes, Florida.

X. ADJOURNMENT

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

Respectfully submitted,

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Mark Schaunaman

These Minutes were adopted on ______________________________.

Exhibit A: Bellows Associates, P.A. Engagement Letters
Exhibit B: SEI Investment Management Report, August 10, 2017
Exhibit C: Apprenticeship Director's Report dated August 10, 2017
Exhibit D: Trustees Report from Fund Counsel, August 10, 2017
Exhibit E: Income and Expense Statement, June 30, 2017