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, NOVEMBER 9, 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 (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 August 10, 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 August 10, 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 November 9, 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 September 30, 2017 was $878,310. The fiscal year-to-date net return was 6.13% compared to the total index return of 5.76%. The Fund's total portfolio had a net return of 4.52% compared to the total index return of 3.53% for the period June 1, 2010 to September 30, 2017. The asset allocation was 74.6% in fixed income and 25.4% in equity.

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

IV. AUDITOR'S REPORT

The Trustees welcomed Ms. Dina Bellows-Levine from Bellows Associates ("Bellows") to the meeting.

A. Financial Statement

Ms. Bellows-Levine reviewed the draft Financial Statement for Plan years ended March 31, 2017 and 2016. Ms. Bellows-Levine expressed an unmodified (clean) opinion on the financial statements, meaning that in her opinion, the financial statements presented fairly, in all material respects, the financial status of the Fund as of March 31, 2017 and 2016. Ms. Bellows-Levine reviewed the draft audit and reported that the net assets as of March 31, 2017 were $2,648,728 compared to $2,103,276 as of March 31, 2016, which represented an increase of $545,452 in net assets. Ms. Bellows-Levine reviewed the Notes to Financial Statements as of years ended March 31, 2017 and 2016. Ms. Bellows-Levine said that Bellows would finalize the Financial Statements.

B. Payroll Audits

Ms. Bellows-Levine provided a status report on the payroll audit of Amquip Crane Rental, LLC ("Amquip"). Bellows made an initial request for records. Due to Amquip's lack of response, Fund Counsel sent a letter to Amquip requesting its cooperation. Ms. Bellows-Levine said that Bellows has since received the records and the payroll audit is in process.

The Trustees thanked Ms. Bellows-Levine for her report and excused her from the meeting.

V. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Daniel McCullers presented the Director's Report dated November 9, 2017, a copy of which is attached to and made a part of these minutes as Exhibit B. He reported the following:

A. Apprentices

Three apprentices joined and four apprentices were released. Sixty-four 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. Due to Hurricane Irma, the IUOE National Training Fund Regional Conference scheduled for September 13-14, 2017 was canceled. He attended the Building and Construction Trades Apprenticeship Training Conference on October 4-5, 2017 in Ann Arbor, Michigan.

The annual Florida Building and Construction Trades "Day on the Hill" State Apprentice Day is scheduled for January 16-19, 2018 in Tallahassee, Florida. The cost for the Director to attend is approximately $2,500.00. He plans to bring the simulator to demonstrate to legislators the quality of the training program. A meeting has been scheduled with legislators stressing the importance of apprenticeship funding. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve travel expenses not to exceed $2,500 for the Apprenticeship Director to attend the "Day on the Hill" State Apprentice Days on January 16-19, 2018 in Tallahassee, Florida.**

C. Apprenticeship Classes

A calendar of upcoming classes for 2018 is in the process of being compiled and will be distributed to employers. Eighteen apprentices attended the Rigging Certification class on

August 19-20, 2017. Five apprentices attended the Signaling Certification class on September 23-24, 2017. The OSHA 10 Certification class was held on October 7-8, 2017. Eighteen apprentices received certification cards.

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

The Apprentice Program received a check from the SBBC in the amount of $54,357.10 for the contract period August 22, 2017 to December 29, 2017. Director McCullers, Pam Durant, and David Hernandez have been invited to attend the National Apprentice Week luncheon where apprentices will be recognized for their hard work.

E. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. The Yamaha golf cart is being reconditioned. The International Union of Operating Engineers notified the Training Center that the status of the military surplus equipment program is uncertain. There is a possibility that the equipment received for this program may have to be returned. It may also be possible to buy back the equipment. The 310D John Deere and Lull Highlander II have been repainted. Poole & Kent donated a Manitex 1461 Boom Truck in exchange for the cost of two rigging and signaling classes.

Mr. Schaunaman said that the Apprenticeship Director needs a truck to haul materials, tow the simulator, and for other various tasks associated with the performance of his duties. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to purchase a truck with extended cab not to exceed $35,000.**

The Trustees instructed the Apprenticeship Director to obtain a decal for the truck identifying the Fund name, South Florida Operating Engineers Apprentice & Training Fund.

F. Training Center

Fifteen NCCCO practical exams were administered, twelve apprentices passed and three failed. Twenty-eight visitors signed in on the on-site visitor list during the third quarter 2017. Training materials continue to be available to apprentices via email. However, members continue to request a large number of paper copies. Wood and roof panels have been replaced on the golf cart storage roof and an awning on the classroom was reattached after being ripped off the building during Hurricane Irma. The grass on the Training Center property was reseeded and fertilized. The annual picnic and apprenticeship graduation is scheduled for March 11, 2018.

Trustee Discussion

The Trustees discussed options regarding construction of a new Training Center including using prefabricated steel construction and/or erecting separate buildings for the training center and shop. Mr. McCullers said he would research these options. The Trustees agreed to table discussion until the next Board meeting.

VI. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled "Trustees Report" dated November 9, 2017, a copy of which is attached to and made a part of these minutes as Exhibit C.

A. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving Pre-Con Construction, Inc., Sims Crane & Equipment Company Inc., Structural Steel/ADF International, and Zeiger Crane Rental, Inc.

Pre-Con Construction, Inc. ("Pre-Con")

Ms. Phillips said that Pre-Con was sent demands on July 24, 2017, June 1, 2017 and October 30, 2017 for ongoing delinquent contributions, service fees and attorneys' fees. Pre-Con continues to remit untimely contributions and has failed to pay accrued service fees and attorneys' fees. Ms. Phillips will continue to pursue payment of these delinquencies.

Sims Crane & Equipment Co. ("Sims")

Sims requested a waiver of service fees totaling $917.76 for the late remittance of January through May 2017 contributions. Ms. Phillips recommended the Fund grant the requested waiver of these service fees as Sims provided self-corrected reports for the underreporting or misreporting of hours after having timely paid their contributions of January through May 2017 to the Fund. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve Sims' request for waiver of service fees in the amount of $917.76 in accordance with the Fund's Audit and Collections Procedures. However, due to the unique circumstances of self-correction, the waiver will not prejudice any future request that may be made by Sims.

Structural Steel/ADF International

Ms. Phillips reported that Structural Steel/ADF International requested a waiver of service fees in the amount of $139.39 for the untimely payment of its May 2017 contributions. Ms. Phillips stated that the Fund's Audit and Collections Procedures provide for a waiver of service fees once in a three-year rolling period and that Structural Steel/ADF International is eligible for a waiver. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve Structural Steel/ADF International's request for waiver of service fees in the amount of $139.39 in accordance with the Fund's Audit and Collections Procedures.

Zeiger Crane Rental ("Zeiger")

Ms. Phillips reported that Zeiger requested a waiver of service fees in the amount of $3,999.60 for the untimely payment of its December 2016 and January 2017 contributions as well as attorneys' fees in the amount of $500.00. After a demand was sent to Zeiger, the employer was delayed in response due to internet and communication problems as a result of Hurricane Irma. Ms. Phillips stated that the Fund's Audit and Collections Procedures provide for a waiver of service fees once in a three-year rolling period and that Zeiger is eligible for a waiver. Subject to Fund Counsel's verification that Zeiger has not received a waiver of service fees in the last three years, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve Zeiger's request for waiver of service fees in the amount of $3,999.60 and attorneys' fees in the amount of $500.00 in accordance with the Fund's Audit and Collections Procedures, subject to verification that Zeiger has not received a waiver in the past three years.

B. Payroll Audits

Ms. Phillips provided the following payroll audit status report:

Alberici Construction, Inc. ("Alberici")

The random audit of Alberici for the period of October 1, 2014 through September 30, 2016 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")

Bellows has received records from Amquip and the payroll audit is in process.

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

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

Maxim Crane Works ("Maxim")

The random audit of Maxim for the period of October 1, 2014 through September 30, 2017 found that it complied with the Collective Bargaining Agreement as it related to fringe benefit contribution requirements. Receipt of the auditor's report is pending.

C. Fund Policies and Procedures

Ms. Phillips said that the Fund may need to update existing apprentice policies and procedures or adopt new policies and procedures. She said that she will draft the documents that she believes are needed and will bring them to the next Board meeting for discussion and consideration by the Trustees. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **Resolved to authorize Fund counsel to draft policies and procedures to be compliant with Department of Labor regulations.**

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for September 30, 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 September 2017 were $3,077,528.54 compared to $2,511,770.30 in September 2016. Ms. Clutts presented a Comparative Income Statement for the twelve months ended September 30, 2017. She reported that for the month of September 2017, the Fund had total receipts of $60,906.10 and total expenses of $37,931.72, resulting in a surplus of $22,974.38.

B. Disbursements

Ms. Clutts presented the expense check register for September 2017 which indicated total disbursements of $20,927.29. She reviewed the payroll check register for September 2017 which indicated total payroll of $16,025.36.

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

A. Form 990

The Fund auditor filed Form 8868 with the IRS to extend the reporting deadline to February 15, 2018 for the Fund's Form 990.

B. Worker's Compensation Premium Audit

The Hartford Group performed a worker's compensation premium audit on August 10, 2017 that resulted in an additional premium of $175.

C. Fiduciary Liability Policy Renewal

The Fund Office received a quote to renew the Fiduciary Liability insurance for the policy period January 1, 2018 to January 1, 2019. The application form was reviewed by Fund counsel and signed by Chairman Schaunaman on behalf of the Board. The insurance broker quoted no increase in premium and offered two added endorsements for consideration at an additional cost of $56. After discussion on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the renewal of the Fiduciary Liability policy with the additional endorsements.

D. International Foundation of Employee Benefit Plans ("IFEBP") Membership

The Fund's IFEBP membership renewal notice was received at a cost of $1,205 for 2018. After discussion on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to renew the IFEBP membership at a cost of $1,205 with $241 to be charged to the Apprenticeship Fund and $964 to be charged to the Health & Welfare Fund (80%/20% split).**

E. Procedures for Reimbursing Apprentices

Chairman Schaunaman asked that consideration be given to adopting procedures for reimbursing apprentices in good standing for the cost of Department of Transportation Physicals, for Transportation Workers Insurance Certifications, and for obtaining and maintaining NCCCO Certifications. He said that he will present a projection of costs associated with such reimbursements at the next Board meeting.

IX. NEXT MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, February 15, 2017 at 10:00 a.m. in Miami Lakes, Florida. The remaining 2018 meetings were scheduled for May 10, August 9, and November 15, 2018.

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 ______________________________.

Exhibit A:	SEI Investment Management Report, November 9, 2017
Exhibit B:	Director's Report, November 9, 2017
Exhibit C:	Trustees Report from Fund Counsel, November 9, 2017
Exhibit D:	Income and Expense Statement, September 30, 2017