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, FEBRUARY 15, 2018
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
W. Utreras	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
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 November 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 November 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 February 15, 2018, 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 December 31, 2017 was $893,979. The fiscal year-to-date net return was 8.03% compared to the total index return of 7.48%. The Fund's total portfolio had a net return of 4.61% compared to the total index return of 3.64% for the period June 1, 2010 to December 31, 2017. The asset allocation was 73.6% in fixed income and 26.4% 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. Form 990

Ms. Bellows confirmed that the Form 990 for the Plan year ended March 31, 2017 was filed on February 13, 2018 under the allowable extension of time to file.

B. Audited Financial Statements for Plan Year Ended March 31, 2017

Ms. Bellows-Levine reviewed the Financial Statements for the Plan years ended March 31, 2017 and 2016, a copy of which is attached to and made a part of these minutes as Exhibit B. She 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, 2017 and 2016. She reviewed the audit and reported that the net assets as of March 31, 2017 were $2,649,205 compared to $2,103,276 as of March 31, 2016, which represented an increase of $545,929. Ms. Phillips reported that the Trustees were polled between Board meetings regarding adoption of the Financial Statements for the Plan year ended March 31, 2017 and 2016, which had been presented as a draft at the prior

Board meeting and was later finalized between Board meetings. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to ratify the action taken by the Board of Trustees between Board meetings to adopt the Financial Statements for the Plan years ended March 31, 2017 and 2016.**

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 February 15, 2018, a copy of which is attached to and made a part of these minutes as Exhibit C. He reported the following:

A. Apprentices

Six apprentices joined and five apprentices were released. Sixty-six apprentices are enrolled in the Program.

B. Upgrading the Apprenticeship Program

Mr. McCullers attended the monthly United Joint Apprentice Council and Palm Coast Joint Advisory Council conference meetings ("PCJAC"). He was elected chairman of the PCJAC. He will participate in the Cooper City High School College and Career Fair on February 13, 2018.

He was invited by Trustee Harrison of Harrison Crane to participate in the 59th Annual Scoutmasters Camporee on February 17, 2018 in Markham Park, Florida. A presentation to the approximately 2,000 participants in attendance will include a simulator demonstration.

He met with Mr. Joe Bartlett, who is with the Federal Emergency Management Agency ("FEMA") Florida Task Force Miami Team, to discuss a possible training partnership at the site with some of the emergency response teams in the Miami/Dade county area.

He attended Apprenticeship Day on the Hill on January 16-19, 2018. He took the simulator to Tallahassee to demonstrate the Training Center's work to legislators and attended several meetings with legislators to inform them of the apprenticeship program and its value.

In accordance with the authorization previously provided by the Board, the Fund purchased a 2017 Ford F-150 truck on November 27, 2017 to be used by Mr. McCullers for Apprenticeship Training Center purposes.

C. Apprenticeship Classes

The NCCCO General Knowledge refresher class was held on January 14, 2018 with ninety apprentices attending. The NCCCO Tower Crane refresher class was held on January 21, 2018. The NCCCO Large/Small Hydro refresher class was held on January 28, 2018. A review was conducted for all of the NCCCO certifications on February 11, 2018. The written NCCCO test will be administered on February 18, 2018.

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

Mr. Randy Holmes, Apprenticeship Training Representative from the Florida Department of Education, informed Director McCullers that the Davis/Bacon apprentice certifications process will be provided by the apprenticeship program to the contractor. Mr. Holmes will no longer be involved in the process.

E. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. No decision has been received on the status of the military surplus program. The boom and jib sections of the P&H 140 ton crane painting will be completed in the near future. The P&H 30 ton crane is government excess property and is subject to return. No upgrades are planned. The bearing on the main boom cylinder was replaced on the Lull. Periodic maintenance was performed on all equipment. Todd Roper from Equipment Inspections Services, Inc. will perform the annual inspection of the Liebherr 132HC crane in accordance with ASME B30.5 safety standards.

F. Training Center

Twenty-two NCCCO practical exams were administered, fourteen apprentices passed and eight failed. Twenty-six visitors signed in on the on-site visitor list during the fourth quarter 2017. NCCCO training books have been ordered from Equipment Training Solutions at the cost of $5,934.78. Training materials continue to be available to apprentices via email; however, members continue to request a large number of paper copies. The Training Center passed an annual inspection and backflow prevention test performed by the GreenTeam Service on January 23, 2018. The annual picnic and apprenticeship graduation has been set for March 11, 2018. Three apprentices are working to prepare the site for the event.

VI. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled "Trustees Report" dated February 15, 2018, a copy of which is attached to and made a part of these minutes as Exhibit D.

A. Apprenticeship Director's Agreement

Ms. Phillips said the Apprenticeship Director's Agreement had been updated to include permitting 10% personal use of the 2017 Ford F-150 truck by the Director. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the amended Apprenticeship Director's Agreement, allowing the Apprenticeship Director de minimus personal use (10%) of the 2017 Ford F-150 truck.**

B. Fund Policies and Procedures

Ms. Phillips said that she had reviewed the Fund policies and procedures. She said that the Fund has Restated Collection and Audit Procedures and a Record Retention Policy. She reported that she is working with the Chairman and Apprenticeship Director to draft a Disaster Recovery Plan. She stated that the Fund office has its own Disaster Recovery Plan. She said that a Drug and Alcohol Testing Policy is not needed by the Fund as employers do their own testing. She stated that she will draft a Sexual Harassment Policy for the Fund for presentation at a future Board meeting.

C. Commercial Insurance Coverage

Ms. Phillips said that she will work with the Apprenticeship Director to review the Fund's existing commercial insurance coverage.

D. Mortgage Loan

Discussion ensued regarding paying off the remaining balance on the mortgage loan in the approximate amount of $242,332. Ms. Phillips said that she would research the amortization schedule to determine the exact amount needed to pay off the loan. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to pay off the remaining balance on the mortgage loan.

E. Delinquency and Collections

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

ADF International/Structural Steel

Ms. Phillips reported that ADF International/Structural Steel requested a waiver of service fees in the amount of $139.39 for its untimely payment of its May 2017 contributions. 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 owed by ADF International/Structural Steel in the amount of $139.39, in accordance with the Fund's Audit and Collections Procedures.

Sims Crane & Equipment Company ("Sims")

Ms. Phillips reported that Sims requested a waiver of service fees in the amount of $917.76 for its untimely payment of its January through May 2017contributions. 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 owed by Sims Crane & Equipment Company in the amount of $917.76, 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 its untimely payment of its December 2016 and January 2017 contributions. The Fund's

Collection Committee reviewed the request and granted the waiver in accordance with the Fund's Audit policy. Ms. Phillips said that attorney fees in the amount of $500.00 were also waived. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to waive service fees owed by Zeiger Crane Rental in the amount of $3,999.60, and attorney fees in the amount of $500.00, in accordance with the Fund's Audit and Collections Procedures.

F. Payroll Audits

Ms. Phillips provided the following payroll audit status report:

Maxim Crane Works ("Maxim")

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

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for December 31, 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 December 2017 were $3,195,808.83 compared to $2,687,859.62 in December 2016. Ms. Clutts presented a Comparative Income Statement for the twelve months ended December 31, 2017. She reported that for the month of December 2017, the Fund had total receipts of $55,280.25 and total expenses of $39,978.54, resulting in a surplus of $15,301.71.

Ms. DuVall stated that the Fund's account at SunTrust Bank had a balance of $746,049.01 as of December 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 December 2017, which indicated total disbursements of $22,688.43. She reviewed the payroll check register for December 2017 which indicated total payroll of $17,245.25.

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. Annual Foreign Bank Account Report ("FBAR")

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

B. Apprentice Selection Insurance Coverage

The quote to renew the Apprentice Selection Insurance Coverage for the policy period March 1, 2018 through March 1, 2019 is $3,632. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to renew the Apprentice Selection Insurance Coverage for the period March 1, 2018 to March 1, 2019.**

C. New Training Center and Facility Design

The Trustees discussed the need to update and expand the Apprenticeship Training Center. Discussion ensued regarding drafting plans for designing and building a new facility at the training site. It was agreed that an architect would be needed to design and consult on construction of a new building. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to engage an architect at a cost not to exceed $10,000 to design and consult on plans for a new building at the training site.**

IX. NEXT MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, May 10, 2018 at 10:00 a.m. in Miami Lakes, Florida. The remaining 2018 meetings were scheduled for 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, February 15, 2018
Exhibit B:	Financial Statements for Plan Year Ended March 31, 2017
Exhibit C:	Director's Report, February 15, 2018
Exhibit D:	Trustees Report from Fund Counsel, February 15, 2018
Exhibit E:	Income and Expense Statement, December 31, 2017