



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 9, 2018
MIAMI LAKES, FLORIDA**

The following Trustees were present:

LABOR TRUSTEES

M. Schaunaman, Chairman
J. Mullen

MANAGEMENT TRUSTEES

J. Turk, Secretary
J. Epperson
M. Harrison
F. Villella

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
K. Phillips – Phillips, Richard & Rind, PA
E. Slazyk – Arcwerks, Inc.

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 31, 2018 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 31, 2018 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 August 9, 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 Fund assets in the total portfolio as of June 30, 2018 was \$1,138,433. The fiscal year-to-date net return was -0.15% compared to the total index return of 0.05%. The Fund's total portfolio had a net return of 4.25% compared to the total index return of 3.36% for the period June 1, 2010 to June 30, 2018. The asset allocation was 74.1% in fixed income and 25.9% in equity. Mr. Hart discussed reviewing asset allocations and will present this at the next meeting.

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

IV. NEW TRAINING CENTER AND FACILITY DESIGN

Chairman Schaunaman said that per prior discussion and authorization of the Board, he invited Mr. Eric Slazyk, an architect from Arcwerks, Inc., to the meeting to present a proposal regarding a new training center and facility design. The Trustees welcomed Mr. Eric Slazyk from Arcwerks, Inc. to the meeting.

Mr. Slazyk distributed a proposed scope of the services for the proposed project agreement and quoted fees for services from Arcwerks, Inc., a copy of which is attached to and made a part of these minutes as Exhibit B. Mr. Slazyk said that Phase I of the project would include performing field verification; photographing the site and buildings; attending project meetings; communicating with the client, municipalities, and consultants; developing preliminary site plans, floor plans, and exterior elevations; and other services. He said that his fee for architectural services during Phase I of the project is based on an hourly rate plus reimbursable items and additional services as requested by the client. Mr. Slazyk said the total base fee for Phase I of the project would be \$4,280 (48 hours of work at \$85 per hour, plus one hour of consulting time with a civil engineer at \$200 per hour). Mr. Slazyk suggested that it would be helpful to hire a general contractor to consult on the project during Phase I, and to do so could save costs in the long run. He recommended GSD Contracting. Mr. Slazyk

said that Phase II (working drawings) and Phase III (construction administration) would be determined by the outcome of Phase I. Mr. McCullers said that he would like to use as much union labor as possible in the construction project. The Trustees thanked Mr. Slazyk for presenting the proposal and excused him from the meeting.

Trustee Discussion:

Ms. Phillips said that three bids were previously obtained and had been reviewed. Trustee Turk asked about plans for funding the building project. Chairman Schaunaman stated that the IUOE Local 487 Union would be willing to finance part of the costs, and the rest would come from the Fund. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to accept the proposal from Arcwerks, Inc. to complete Phase I as presented, subject to Fund counsel's review of a contract with Arcwerks, Inc.

Mr. Slazyk was invited back to the Board meeting. He was informed of the Trustees' decision to accept the proposal from Arcwerks, Inc. for Phase I of the project.

The Trustees discussed hiring GSD Contracting, LLC to consult on Phase I of the project. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to hire GSD Contracting, LLC to consult on Phase I of the project at a cost not to exceed \$2,000.

V. DIRECTOR'S REPORT

Mr. Daniel McCullers presented the Director's Report dated August 9, 2018, 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 and four apprentices were released. Seventy-two 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 ("PCJAC") conference meetings. He attended the grand opening and open house for the International Training and Conference Center on June 23, 2018 in Crosby, Texas.

Ms. Phillips said that the Trustees were polled between Board meetings and approved expenses not to exceed \$450 for Director McCullers to attend the opening and site tour of the new International Training and Conference Center on June 23, 2018 in Crosby, Texas. 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 approve expenses not to exceed \$450 for Director McCullers to attend the opening and site tour of the International Training and Conference Center on June 23, 2018 in Crosby, Texas.

Mr. McCullers attended the 60th Annual Florida Apprenticeship Conference on July 10-13, 2018 in Hutchinson Island, Florida.

The Apprenticeship School began offering classes at the Green Collar School in St. Lucie County to service employers and employees in that area. A new instructor, Mr. A.J. Ayvaz, has been hired to teach classes at the Green Collar School.

C. Apprenticeship Classes

A certification sign-up sheet is available to apprentices. Class dates will be announced when the number of apprentices signing up is sufficient to offer forklift, signaling, rigging, and other classes. The NCCCO Written Test was held on June 24, 2018. Fifty-eight apprentices passed and twelve failed.

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

The Atlantic Technical College invited Mr. McCullers to attend the coordinators' meeting on August 14, 2018. A copy of an SBBC purchase order was received in the amount of \$71,230, confirming the contract amount to be paid by to the Fund.

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 cab on the 180 has been refabricated, work on it is progressing and, in the meantime, it has been in use for testing. An apprentice is in the process of rebuilding the swivel and cleaning the air system on the TMS-300 crane. The IUOE International picked up the excavator and front-end loader that was on loan for five months. The IUOE International also picked up the front-end loader simulator that was on loan for the past year. The tower crane trolley motor was repaired and is now in operating condition. Morrow Equipment Company, LLC is working on the swing brakes and electrical system for the hoist.

The 4200 Time Cutter Z Lawn Mower is no longer operable. Mr. McCullers said it would not be cost effective to repair this mower. He said that he had obtained quotes for the purchase of a new mower. He said that the Patriot Scag Zero-Turn Mower was the best option, at a cost of approximately \$5,800. He said that a commercial grade mower is needed to maintain approximately three acres of grass at the Training Center. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to approve the purchase of a new lawn mower
at a cost not to exceed \$6,000.**

F. Training Center

Eleven NCCCO practical exams were administered, eight apprentices passed and three failed. Fourteen visitors signed in on the on-site visitor list during the second quarter 2018. Training materials continue to be available to apprentices via email. However, members continue to request a large number of paper copies.

VI. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled "Trustees Report" dated August 9, 2018, a copy of which is attached to and made a part of these minutes as Exhibit D.

A. Apprenticeship Program Policies

Ms. Phillips distributed a Disaster Recovery Policy and a Records Retention Policy and Procedure Manual for the Fund. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolutions:

RESOLVED to adopt the Disaster Recovery Policy for the Apprenticeship Program as presented.

RESOLVED to adopt the Records Retention Policy and Procedure Manual for the Apprenticeship Program as presented.

B. Union Liability Policy

Ms. Phillips said that Apprenticeship Director McCullers was added to the Union Liability Policy, which includes coverage for apprentice selection, at no additional cost to the Fund.

C. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving American Empire Builders, Florida Rigging & Crane Company, and HJ Foundation Company.

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for June 30, 2018, 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 2018 were \$3,186,330.60 compared to \$2,977,238.17 in June 2017. Ms. Clutts presented a Comparative Income Statement for the twelve months ended June 30, 2018. She reported that for the month of June 2018, the Fund had total receipts of \$61,713.80 and total expenses of \$31,156.25, resulting in a surplus of \$30,557.55.

B. Disbursements

Ms. Clutts presented the expense check register for June 2018, which indicated total disbursements of \$15,344.84. She reviewed the payroll check register for June 2018 which indicated total payroll of \$15,156.26. 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. Occupational Employment Statistic Report

The Occupational Employment Statistic Report was submitted to the Bureau of Labor Statistics on June 18, 2018, at the request of Chairman Schaunaman.

B. Payroll Audits

The following employers were referred to Bellows Associates, P.A. for random payroll audits: ADF International, Inc.; Enterprise Construction, LLC; Equipment Inspection Services, Inc.; Florida Rigging and Crane Company; LM Heavy Civil, LLC; North American Crane & Rigging, LLC; Severson Environmental Services, Inc.; Midwest Steel, Inc.; and United Excavations, Inc.

IX. NEXT MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, November 15, 2018 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,

Jonathan Turk, Fund Secretary

These Minutes were adopted on _____.

Exhibit A: SEI Investment Management Report, August 9, 2018
Exhibit B: Arcwerks, Inc. Letter dated March 28, 2018
Exhibit C: Director's Report, August 9, 2018, 2018
Exhibit D: Trustees Report from Fund Counsel, August 9, 2018
Exhibit E: Income and Expense Statement, June 30, 2018