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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, NOVEMBER 15, 2018 MIAMI LAKES, FLORIDA

The following Trustees were present:

LABOR TRUSTEES	MANAGEMENT TRUSTEES
M. Schaunaman, Chairman	J. Epperson
J. Mullen	M. Harrison

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 August 9, 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 August 9, 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 November 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 Fund assets in the total portfolio as of September 30, 2018 was $1,153,615. The fiscal year-to-date net return was 1.19% compared to the total index return of 1.35%. The Fund's total portfolio had a net return of 4.29% compared to the total index return of 3.42% for the period June 1, 2010 to September 30, 2018. Mr. Hart informed the Trustees about investment manager changes. The asset allocation was 73.5% in fixed income and 26.5% in equity. Mr. Hart said there were no asset allocation changes recommended at this time.

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

IV. DIRECTOR'S REPORT

Mr. Daniel McCullers presented the Director's Report dated November 15, 2018, 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 graduated since the last Board meeting. Seventy-one 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 and Mr. Michael Smith attended the CPR/ADD first aid instructor course at the International Training and Conference Center on October 2 and 3, 2018 in Crosby, Texas. Mr. McCullers will attend the 2018 North America Building Trades annual Apprenticeship and Training Conference on November 26 – 28, 2018 in Ann Arbor, Michigan per approval of the Board.

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.

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

The Atlantic Technical College invited Mr. McCullers to attend the National Apprenticeship Appreciation luncheon on November 16, 2018. A check in the amount of $53,105 dated September 28, 2018, was received from the SBBC for the period August 15, 2018 through December 31, 2018 and forwarded to the administrator.

E. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. Mr. McCullers continues to monitor the military surplus program. The tower crane trolley motor was repaired. A new Scag Patriot Kawasaki Mower was purchased for site maintenance at a cost of $5,800, as previously approved by the Board. Mr. McCullers is in the process of getting fair market value documentation needed to purchase a mechanic crane truck to be used for the NCCCO service truck test. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the purchase of a truck equipped with a mechanic crane at a cost not to exceed $12,000.

F. Training Center

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

Mr. McCullers reported that he met with the Pembroke Pines Building Department seeking approval for the proposed building plans at the Training Center. He distributed copies of architectural drawings and a floor plan designed by Arcwerks, Inc., a copy of which is attached to and made a part of these minutes as Exhibit C.

V. ATTORNEY'S REPORT

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

Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving American Empire Builders.

Florida Rigging & Crane Co. ("Florida Rigging")

Ms. Phillips said that Florida Rigging requested a waiver of service fees totaling $6,546.61 for the untimely payment of its June 2018 contributions received on July 25, 2018. 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 Florida Rigging in the amount of $6,546.61 in accordance with the Fund's Audit and Collections Procedures.**

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for September 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 September 30, 2018 were $3,325,172.97 compared to $3,077,528.54 in September 2017. Ms. Clutts presented a Comparative Income Statement for the twelve months ended September 30, 2018. She reported that for the month of September 2018, the Fund had total receipts of $89,221.84 and total expenses of $39,771.34, resulting in a surplus of $49,450.50.

B. Disbursements

Ms. Clutts presented the expense check register for June 2018, which indicated total disbursements of $25,959.85. She reviewed the payroll check register for September 2018, which indicated total payroll of $15,732.29. 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. Clutts reported the following:

A. Fidelity Bond Renewal

The Fidelity Bond renewal application for the policy period December 1, 2018 to December 1, 2021 was submitted with a request to bind coverage at a cost of $1,895, the same premium as the expiring policy. The premium will be split with 20% paid by the Apprentice and Training Fund and 80% paid by the Health and Welfare Fund.

B. International Foundation for Employee Benefit Plans ("IFEBP") Membership

The Fund's IFEBP membership renewal notice was received at a cost of $1,245 for 2019. 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 $1,245 with $249 to be paid by the Apprentice and Training Fund and $996 to be paid by the Health & Welfare Fund (20%/80% split).

C. Form 5500

The Fund auditor filed Form 8868 with the IRS to extend the reporting deadline to January 15, 2019 for the Fund's Form 5500 for Plan year ended March 31, 2018.

D. Form 990

The Fund auditor filed the Form 8868 with the IRS to extend the reporting deadline to February 15, 2019 for the Fund's Form 990 for Plan year ended March 31, 2018.

E. Workers Compensation Premium Audit

The Hartford Group performed a workers compensation premium audit on August 9, 2018 that resulted in an additional premium of $60.00.

F. Institute for Apprenticeship, Training and Education Programs ("Institute Programs")

Ms. Clutts distributed information about the IFEBP Institute Programs scheduled for January 14 – 16, 2019 in Miami, Florida. She stated that Mr. McCullers could be added to the Fund's IFEBP membership at no additional expense to the Fund and, if added as a member, he could enroll in the Institute Programs for a reduced fee. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the Trustees and Apprenticeship Director's attendance at the IFEBP Institute for Apprenticeship, Training and Education Programs on January 14 – 16, 2019 in Miami, Florida.**

VIII. NEXT MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, February 14, 2019 at 10:00 a.m. in Miami Lakes, Florida. The remaining 2019 meetings were scheduled for May 9, August 15, and November 14, 2019.

IX. 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 15, 2018
Exhibit B: Director's Report, November 15, 2018
Exhibit C: Proposed Training Center Architectural Drawings, Arcwerks, Inc.
Exhibit D: Trustees Report from Fund Counsel, November 15, 2018
Exhibit E: Income and Expense Statement, September 30, 2018