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 14, 2019
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. 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 15, 2019, 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 15, 2019 as presented.**

III. INVESTMENT CONSULTANT'S REPORT

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

A. Performance Report

Mr. Hart discussed SEI's Quarterly Investment Review Third Quarter 2019 dated November 14, 2019, a copy of which is attached to and made a part of these minutes as Exhibit A. He stated that the market value of Fund assets in the total portfolio as of October 31, 2019 was $2,061,792. The fiscal year-to-date net return was 4.56% compared to the total index return of 4.78%. The Fund's total portfolio had a net return of 4.46% compared to the total index return of 3.75% for the period June 1, 2010 to October 31, 2019.

B. Asset Allocation

Mr. Hart reviewed the Fund's current asset allocation, noting all allocations are within the Fund's investment policy target ranges. The asset allocation was 72.6% in fixed income and 27.4% in equity.

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

Trustee Discussion

The Trustees discussed options for modifying the Fund's Investment Policy Statement ("IPS"). Ms. Phillips said that she will contact Mr. Hart between Board meetings to obtain SEI's recommendation for revisions to the IPS, given the Fund's need for adequate cash flow during the new facility construction project.

IV. DIRECTOR'S REPORT

Mr. McCullers presented the Director's Report dated November 14, 2019, a copy of which is attached to and made a part of these minutes as Exhibit B. He reported the following:

A. Apprentices

Eleven apprentices joined and twelve apprentices terminated since the last Board meeting. Seventy-four apprentices are enrolled in the program.

B. Upgrading the Apprenticeship Program

Mr. McCullers attended the monthly United Joint Apprentice Council ("UJAC") and Palm Coast Joint Advisory Council ("PJAC") conference meetings. He attended the OSHA 502 Update for Construction on August 13 -15, 2019 and the Members Assistance Program/Lifestyle Awareness class on August 19 -22, 2019 in Crosby, Texas. He will be participating in the Pre-Apprenticeship Week on November 15, 2019 at Carol City High School in Miami Gardens, Florida and Edison High School in Miami, Florida.

Mr. McCullers requested authorization to attend the Mid-Winter Florida Apprenticeship Conference Board of Directors meeting on December 5 – 7, 2019 in Clearwater Beach, Florida. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve expenses not to exceed $600 for the Apprenticeship Director to attend the Mid-Winter Florida Apprenticeship Conference on December 5 – 7, 2019 in Clearwater Beach, Florida.**

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 OSHA 10 certification class was offered to A-Class apprentices on September 7 and September 21 and to B-Class apprentices on October 10 and October 19, 2019. The class was also available to Union members that needed OSHA 10 certification.

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

A check in the amount of $36,476.20 was received on September 20, 2019 for the period August 14, through December 31, 2019, and was forwarded to the administrative manager. Mr. McCullers said that due to a scheduling conflict, he would not be able to attend the Atlantic Technical College luncheon for apprenticeship appreciation on November 15, 2019.

E. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. The liaison with the Military Surplus Equipment Program requested an equipment preference order. Mr. McCullers reported that it was provided. The P&H 430-TC crane has been repainted. The Lorain RT-180 crane is being refurbished, but will remain operational for apprentices that need to test for the swing cab.

F. Training Center

Nine NCCCO practical exams were administered during the third quarter of 2019. Six apprentices passed and three failed. Twenty-one visitors signed the on-site visitor list during the third quarter of 2019. Training materials continue to be available to apprentices via email; however, apprentices continue to request a large number of paper copies. The annual Apprenticeship picnic is scheduled for March 8, 2020. The Fund is moving forward with plans for the new school building at the Training Center. Mr. Kerry Rosenthal of Rosenthal Rosenthal Rasco, LLC has been overseeing the job contracts and plans to attend the next Board meeting.

V. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled "Trustees Report" dated November 14, 2019, a copy of which is attached to and made a part of these minutes as Exhibit C.

A. Conflict of Interest and Whistleblower Policy – Annual Certification

Ms. Phillips distributed to the Trustees a copy of the Fund's Conflict of Interest and Whistleblower Policy. She provided each Trustee with a Conflict of Interest and Whistleblower Certificate form to complete and sign. Each Trustee completed and signed a Certificate during the Board meeting.

B. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving Equipment Inspection Services, Inc., Sims Crane & Equipment Company, Florida Rigging & Crane Company, United Excavations, Inc., Merrick Industrial Management Corporation, Boh Brothers Construction Company, LLC, and LM Heavy Civil Construction, LLC.

C. Payroll Audits

Ms. Phillips provided the following payroll audit status report:

Midwest Steel, Inc. ("Midwest")

The random audit of Midwest for the period July 1, 2016 through June 30, 2018 found that it complied with the Collective Bargaining Agreement as it related to fringe benefit contribution requirements. A letter was sent to Midwest on September 13, 2019 advising it of no delinquency.

North American Crane & Rigging, LLC ("North American")

Correspondence from the Fund attorney dated August 30, 2019 was mailed to North American advising North American of its failure to comply with the auditor's request for payroll records for the period July 2016 through June 2018. On October 29, 2019, correspondence was received from the Administrative Manager advising that North American has had no men working since April 2018. North American's contract is open and it continues to provide monthly reports of no man hours. The Union confirmed that no workers have been performing bargaining unit work since 2018.

United Excavations, Inc. ("United")

The random audit of United for the period July 1, 2016 through June 30, 2018 found that it complied with the Collective Bargaining Agreement as it related to fringe benefit contribution requirements. A letter was sent to Midwest on September 13, 2019 advising it of no delinquency.

D. Rosenthal Rosenthal & Rasco, LLC

Ms. Phillips said that an engagement letter from Rosenthal Rosenthal & Rasco, LLC had been received to retain the firm's legal services related to real estate matters and the construction of a new training facility. Trustee Chairman Schaunaman signed the engagement letter during the Board meeting.

E. National Training Fund ("NTF")

Ms. Phillips reported that an NTF Contribution Collection and Cost Sharing Agreement ("Agreement") was in the process of being negotiated between the NTF and the Fund.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for September 30, 2019, 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 30, 2019 were $3,995,347.43 compared to $3,325,172.97 in

September 2018. Ms. Clutts presented a Comparative Income Statement for the twelve months ended September 30, 2019. She reported that for the month of September 2019, the Fund had total receipts of $126,403.14 and total expenses of $39,012.91, resulting in a surplus of $87,390.23.

B. Disbursements

Ms. Clutts presented the expense check register for September 2019, which indicated total disbursements of $20,322.38. She reviewed the payroll check register for September 2019, which indicated total payroll of $20,791.88. 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. Fiduciary Liability Policy

An application for renewal of the Fiduciary Liability Policy was submitted to the broker for a quote on coverage for the policy period January 1, 2020 to January 1, 2021. The base premium is expected to be the same as the expiring policy, which includes the Renewal Guarantee Endorsement.

B. Form 5500 Exemption

The Department of Labor has a one-time electronic filing requirement related the Fund's exemption from filing an annual Form 5500. Ms. Clutts contacted the Fund auditor to request that Bellows Associates, PA complete the filing for the Fund.

C. Central Pension Fund ("CPF")

The Central Pension Fund requested an updated Participation Agreement confirming the Apprenticeship Director's contribution rate increase effective July 1, 2019. Trustee Chairman Schaunaman signed the updated Participation Agreement during the Board meeting.

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

The Fund's IFEBP membership renewal invoice was received listing dues of at a cost of $1,245 for 2020. 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).**

E. Workers Compensation Insurance Premium Audit

The Hartford Group performed a workers compensation insurance premium audit on June 18, 2019 that resulted in a premium increase of $128.

F. NCCCO Reimbursement Procedures

Copies of the NCCCO Reimbursement Procedures were distributed to Trustees.

VIII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, February 13, 2020 at 10:00 a.m. in Miami Lakes, Florida. The remaining 2020 meetings were schedule for May 14, August 13, and November 12, 2020.

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 Quarterly Investment Review Third Quarter 2019,
November 14, 2019
Exhibit B: Director's Report, November 14, 2019
Exhibit C: Trustees Report from Fund Counsel, November 14, 2019
Exhibit D: Income and Expense Statement, September 30, 2019