South Florida Operating Engineers
Apprentice and 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 21, 2013 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. Harris
W. Utreras	F. Villella

Also present were:

L. DuVall – Associated Administrators, LLC
D. Haverly – SEI Global Institutional Group
R. Joyner – The Segal Company
D. McCullers – Apprenticeship Director
K. Phillips – Phillips, Richards, & 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 22, 2013, 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 22, 2013 as presented.

III. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. DuVall reviewed the Income and Expense Statement for September 30, 2013, a copy of which is attached to and made a part of these minutes as Exhibit A. She reported that total assets for the month of September 2013 were $2,093,991.87. She reported that the Fund had total income for the month in the amount of $28,139.24 and total expenses in the amount of $31,423.31, resulting in a total net income of ($3,284.07) for the month of September 2013. Ms. DuVall reviewed the income and expenses on the twelve-month rolling Comparative Income Statement.

B. Disbursements

Ms. DuVall presented the expense check register for September 2013, which indicated total disbursements of $17,944.17. She reviewed the payroll check register for September 2013, which indicated total payroll of $13,871.37.

On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to accept the Administrative Manager's Report as presented.**

IV. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Mr. Don Haverly from SEI Global Institutional Group ("SEI") to the meeting.

A. Performance Report

Mr. Haverly distributed SEI's investment management report dated November 21, 2013, a copy of which is attached to and made a part of these minutes as Exhibit B. Mr. Haverly stated that the Fund's total portfolio had a net return of 5.49% compared to the total index return of 3.80% for the period June 1, 2010 to October 31, 2013. He said that the fiscal year-to-date net return was 1.11% compared to the total index return of 0.78%. Mr. Haverly stated that the asset allocation was 86.8% in fixed income, 10.7% in U.S. equity and 2.5% in World equity.

B. Investment Policy Statement

Mr. Haverly presented a revised Investment Policy Statement ("IPS") dated November 12, 2013, a copy of which is attached to and made a part of these minutes as Exhibit C. He said that the IPS had been revised so that rebalancing among funds may occur on a quarterly rather than monthly basis to ensure that the target asset allocation specified in the IPS would be maintained within acceptable ranges. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to adopt the revised Investment Policy Statement dated November 12, 2013 as presented.**

The Chairman signed the revised IPS on behalf of the Board.

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

V. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Daniel McCullers presented the Director's Report dated November 21, 2013, a copy of which is attached to and made a part of these minutes as Exhibit D. Mr. McCullers reported the following:

A. Apprentices

Mr. McCullers reported that no apprentices graduated to journeyman, fourteen apprentices joined and five dropped out of the Apprenticeship Program since the last Board meeting. Forty-six apprentices are enrolled in the Program.

B. Upgrading the Apprentice Program

Mr. McCullers said that the recently submitted Apprenticeship Standards were denied by the State, but are currently being amended with the assistance of the State Regional Representative. Ms. Phillips said that she is working with Mr. McCullers to resubmit the Apprenticeship Standards. Mr. McCullers said that the Program's Training Instructor Michael Smith completed new instructor training on September 30 to October 4, 2013 in Baltimore, Maryland. Mr. McCullers stated that his OSHA Trainer Certification was renewed on October 28 to November 1, 2013 in Baltimore, Maryland.

C. Apprenticeship Classes

Mr. McCullers reported that the CCO Tower Practical was given on August 17 and September 21, 2013; the CCO Tower Written Test was given on September 7, 2013; the Rigging and Signaling class was given on October 12 and 13, 2013 at Sims Crane in Vero Beach, Florida; the Forklift class was given on November 2, 2013; and that the CCO Study course and exam will be offered in January 2014.

D. Broward County School Board

Mr. McCullers said that a check in the amount of $23,059.35 was received on September 30, 2013 from the Broward County School Board.

E. Apprenticeship Council

Mr. McCullers said that he attended the monthly UJAC and PCJAC Conference meetings.

F. Equipment Program

Mr. McCullers said that the International Union loaned the Apprenticeship Program a new John Deere 310SK Backhoe Loader for six months. He said that the two simulators that had been on loan to the Apprentice Program from the International Union had been sent to other unions. He said that the Mechanic Daily Activity Log is available for review at the training center.

G. Training Center Site

Mr. McCullers reported that the new CCO Practical Course for the lattice boom crane was formed and ready for the Apprentices to begin working with concrete.

VI. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled Trustees' Report dated November 21, 2013, a copy of which is attached to and made a part of these minutes as Exhibit E.

A. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving A1 Crane & Rigging, Beyel Brothers, Bunnell, Commonwealth Contractors, Fred Teitelbaum Construction, Little Steve Florida, Paladin Crane Service, Pre-Con Construction, R.W. Harris, Seaward Services, and Sims Crane.

Paladin Crane Service, Inc.

Ms. Phillips recommended waiving service fees in the amount of $339.42 incurred by Paladin Crane for late payment of contributions for April and May 2010, given that it is not operating in the area and has no current Collective Bargaining Agreement and the costs of collection would likely exceed that which is collectable. After discussion, on Motion made and seconded, Trustees voted unanimous approval of the following resolution:

> **RESOLVED to write off service fees incurred by Paladin Crane Service, Inc. in the amount of $339.42 for the months of April and May 2010, in accordance with the Fund's Audit and Collection Procedures.**

B. Payroll Audit

The random audit of Stone & Webster found that it complied with the Collective Bargaining Agreement during the period August 1, 2011 through June 1, 2013 as it relates to fringe benefit contribution requirements.

VII. OTHER FUND BUSINESS

A. Marketplace Coverage Options

Ms. DuVall reported that Notice about the Affordable Care Act health insurance marketplace coverage option had been provided to Mr. McCullers to distribute to employees of the Fund.

B. Fiduciary Liability Insurance Renewal

Ms. DuVall stated that an application form had been completed and sent to Fund counsel for review to renew the Fund's fiduciary liability insurance for the policy period January 1, 2014 through January 1, 2015. She stated that at Fund counsel's request, an inquiry was made to the insurance broker at United Members Insurance, Inc. to find out if the policy covered apprentice selection. Ms. DuVall said that the broker responded that none of the endorsements under the fiduciary liability policy cover apprentice selection. The broker stated that the Fund would need to purchase a Directors and Officers Liability Policy (the one Ullico sells is called a "Union Liability Policy" and also includes Employment Practices Liability) for apprentice selection coverage.

After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to obtain information and pricing regarding insurance that includes coverage for apprentice selection.

Ms. DuVall stated that that she would obtain pricing and coverage information from the insurance broker and provide it to Fund counsel for review. The Board agreed.

VIII. MEETING DATE

The next quarterly Board meeting was scheduled for Thursday, February 6, 2014 at 10:00 a.m. in Miami Lakes, Florida. The remaining quarterly meetings were scheduled for May 22, 2014, August 21, 2014 and November 20, 2014.

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 ________________________________

Attachments:
Exhibit A: Income and Expense Statement, September 30, 2013
Exhibit B: SEI Investment Management Report, November 21, 2013
Exhibit C: Investment Policy Statement dated November 12, 2013
Exhibit D: Apprenticeship Director's Report dated November 21, 2013
Exhibit E: Trustees' Report from Fund Counsel, November 21, 2013