South Florida Operating Engineers
Apprentice and Training Fund
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DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE SOUTH FLORIDA OPERATING ENGINEERS APPRENTICESHIP AND TRAINING FUND THURSDAY, NOVEMBER 29, 2012 MIAMI LAKES, FLORIDA

The following Trustees were present:

LABOR TRUSTEES	MANAGEMENT TRUSTEES
M. Schaunaman, Chairman	J. Turk, Secretary
J. Mullen	R. Ebsary
S. Singer	J. Epperson
	F. Villella

Also present were:

J. Allbritton – Former Trustee
I. Diaz – CPA Firm of Steven I. Gordon
N. Durkin – Associated Administrators, LLC
L. DuVall – Associated Administrators, LLC
D. Haverly – SEI Global Institutional Group
D. McCullers – Apprenticeship Director
K. Phillips – Phillips, Richards, & Rind, PA
R. Sudler – Sudler Insurance Services, 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 August 23, 2012, 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 23, 2012 as presented.

III. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Daniel McCullers distributed a Director's Report dated November 29, 2012, a copy of which is attached to and made a part of these minutes as Exhibit A. Mr. McCullers reported the following:

A. Apprentices

No apprentices graduated, six apprentices joined, and four dropped out of the Apprenticeship Program since the last Board meeting. Thirty apprentices are registered in the Program.

B. Apprenticeship Program

Mr. McCullers suggested changing the Apprenticeship Program from a three-year to a four-year program so that apprentices can earn a Crane Certified Operator ("CCO") certification. Discussion ensued. The Trustees agreed to table this matter pending Mr. McCullers drafting revised guidelines for apprenticeship standards for the Board's review and consideration.

Classes planned for this quarter include Rigging and Signaling Class on December 1-2, 2012 and CCO Preparation Class on January 6, 13, 20, 27 and February 3 and 10, 2013. The CCO Written Exam will be offered on February 17, 2013.

C. Broward County School Board

Mr. McCullers attended the UJAC meeting held at the Miami Lakes Technical Center on November 8, 2012.

The Apprenticeship Program received a check in the amount of $16,348 from the Broward County School Board on October 10, 2012.

D. Apprenticeship Council

Mr. McCullers attended the Palm Coast Joint Apprenticeship Council meetings on September 18, October 16 and November 20, 2012. A meeting is planned for the Florida Apprenticeship Council on December 6, 2012.

E. Equipment

The Lull Forklift boom tilt cylinder was rebuilt. The Badger was repaired, but is still not in top working condition. The outrigger beam cylinder on the large hydro was rebuilt. Brakes on

the 18-ton Loraine were repaired. Sseveral hoses on the Caterpillar Bulldozer were replaced. The 24-volt starter on the roller was replaced with a 12-volt starter due to problems with the 12/24 volt converter. Parts were ordered to repair the Liebheer climber crane. Numerous other minor repairs on equipment were completed.

F. Training Center

Mechanic Ron Zeigler is working on the machines at the Training Center. Fourteen members attended the Union History Class on September 8, 2012. Twenty-three members received their OSHA 10-hour certification on October 6 and 7, 2012. Sixteen members received their Trenching and Shoring certification on November 3, 2012.

IV. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. DuVall reviewed the Income and Expense Statement for September 2012, a copy of which is attached to and made a part of these minutes as Exhibit B. She said total assets for the month of September 2012 were $2,182,433.20. She said the Fund had total income for the month of September 2012 in the amount of $27,272.22 and total expenses in the amount of $24,614.60 resulting in a total net income of $2,657.62 for the month of September 2012. 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 2012, which indicated total disbursements of $13,009.56. She reviewed the payroll check register for September 2012, which indicated total payroll of $11,449.38.

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

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

V. AUDITOR'S REPORT

The Trustees welcomed Mr. Israel Diaz from the CPA firm of Steven I. Gordon to the meeting.

Financial Statements

Mr. Diaz presented Financial Statements for Plan years ended March 31, 2012 and 2011, a copy of which is attached to and made a part of these minutes as Exhibit C. Mr. Diaz expressed an unqualified opinion on the financial statements, meaning that in his opinion, the financial statements present fairly, in all material respects, the financial status of the Fund as of March 31, 2012 and 2011. Diaz reported that the net assets as of March 31, 2012 were $1,740,411 compared to $1,759,222 as of March 31, 2011, which represented a decrease of $18,811 in net assets. Mr. Diaz reviewed with the Trustees the Notes to Financial Statements as of and for the years ended March 31, 2012 and 2011.

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

RESOLVED to accept the Auditor's Financial Statement as presented.

The Trustees questioned why the contributions to the Pension Fund went up while contributions to the Apprenticeship and Training Fund went down during the Plan year ended March 31, 2012. Mr. Diaz said that he would need to review the supporting documents and would then report his findings.

The Trustees thanked Mr. Diaz and he was excused from the meeting.

VI. INVESTMENT CONSULTANT'S REPORT

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

A. Performance Report

Mr. Haverly distributed SEI's investment management report dated November 29, 2012, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported that the Fund assets in the total portfolio as of October 31, 2012 had a market value of $606,638. The asset allocation was 86.8% in fixed income and 13.2% in U.S. equity.

Mr. Haverly stated that the Fund's portfolio had a net return of 6.50% compared to the Total Index of 4.64% for the period June 1, 2010 to October 31, 2012. He said that the fiscal year-to-date net return was 4.07% compared to the Total Index of 2.79%.

B. SEI Rebate Program

Mr. Haverly discussed changes to the SEI rebate program. He stated that while the rebated fee amount decreased, the overall total payment to SEI is unchanged. He explained that to prevent the Fund from paying over and above the agreed upon investment management fees set forth in Schedule C of the Investment Management Agreement, the total investment management fee is decreased by the amount of fees paid within the fund via the rebate program. He stated that taken as a whole, the fee arrangement did not change.

C. SEI Taft-Hartley Client Symposium on June 12-14, 2013

Mr. Haverly announced that SEI would present an educational symposium on June 12-14, 2013 at its corporate headquarters in Pennsylvania. He encouraged the Trustees to attend.

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

VII. ATTORNEY'S REPORT

[The following was presented at the Board of Trustees meeting of the IUOE Local 487 Pension Fund held after this meeting and is recorded in these minutes because it also applies to this Fund.]

Ms. Kathleen Phillips distributed a report titled Trustees' Report dated November 29, 2012, a copy of which is attached to and made a part of these minutes as Exhibit E.

A. Delinquency and Collection Matters

Ms. Phillips provided an update on delinquency and collection matters involving Bunnell, Powermix Industries, Nicholson Construction and Zeiger Crane Rental.

Powermix Industries ("Powermix")

Ms. Phillips stated that Powermix is out of business and had requested a waiver of service fees. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to suspend collection efforts against Powermix Industries and to re-evaluate in one year the request for waiver of service fees.

Nicholson Construction ("Nicholson")

Ms. Phillips said that Nicholson had requested that contributions to the Apprenticeship and Training Fund and all liquidated damages and interest charges be waived. Discussion ensued. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to waive liquidated damages and interest provided that Nicholson Construction pays all amounts identified as due and owing in the payroll audit for those employees hired "off the street" inclusive of all three Local 487 Fringe Benefit Trust Fund amounts; pays any other amounts identified for Local 487 members as being due and owing; pays attorneys' fees; pays audit fees; and executes all documents required by Fund counsel.

Zeiger Crane Rental ("Zeiger")

Ms. Phillips stated that Zeiger had requested a waiver of service fees for September and October 2012. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to grant Zeiger Crane Rental a waiver of service fees for September and October 2012.

Ms. Phillips will send a letter to Zeiger advising that service fees for September and October 2012 were waived by the Board and that no further waivers would be granted for at least three years.

B. Addendum to Apprenticeship Director's Agreement

Ms. Phillips presented for signature an Addendum to Apprenticeship Director's Agreement reflecting the Board's action in August 2012 to amend the Compensation Schedule effective August 1, 2012 to pay the Apprenticeship Director a weekly salary equivalent to a 40-hour work week at $29.55 per hour (current wage rate for a certified crane operator, plus the master mechanic hourly premium) and to increase in accordance with prevailing rates as negotiated in the IUOE Local 487 collective bargaining agreements. The Addendum was signed during the meeting.

VIII. OTHER FUND BUSINESS

A. Administrative Services Fee Proposal

Ms. DuVall stated that the expiration date was December 31, 2012 for the Fund's administrative services contract with Associated Administrators, LLC ("Associated"). She presented a letter dated November 27, 2012 proposing a three-year contract for the period January 1, 2013 through December 31, 2015 with annual 4% fee increases. She reviewed justification for the requested fee increases. The Trustees called an Executive Session to consider Associated's proposal. Thereafter, the Trustees invited Ms. DuVall and Ms. Durkin back to the Board meeting. The Trustees asked about payments to Associated over the regular monthly service fee. A review of some examples revealed entries that were for cost reimbursements, such as stationery, telephone, postage and printing expenses. Ms. DuVall agreed to provide a breakdown of cost reimbursements to Associated going forward. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve a three-year extension of the administrative services contract between the Fund and Associated Administrators, LLC for the period January 1, 2013 through December 31, 2015 with a 4% fee increase effective January 1st of each year of the contract.**

Ms. DuVall thanked the Trustees on behalf of Associated and said that she would prepare an addendum to the current contract for signature at the next Board meeting.

B. Fidelity Bond Renewal

Ms. DuVall discussed the premium to renew the Fidelity Bond for the three-year policy period from December 1, 2012 to December 1, 2015. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to renew the Fund's Fidelity Bond for the three-year policy period beginning December 1, 2012 through December 1, 2015.**

C. IRS Form 990 for Plan Year Ended March 31, 2012

Ms. DuVall stated that filing of Form 990 by Fund auditor was on extension until February 15, 2013.

D. Tablet PC Information

Ms. DuVall distributed pricing information and product descriptions in response to the Trustees' interest in using Tablet PCs in place of printed materials at Board meetings. After discussion, the Trustees decided not to use PC Tablets at Board meetings.

E. NCCCO Mobile Crane Practical Examiners Accreditation Workshop

Mr. Schaunaman stated that two crane examiners were needed and that Walberto Utreras and Ryan Lee were scheduled to attend a Practical Examiners Accreditation Workshop in Orlando, Florida, on December 11-14, 2012. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the Board approved Walberto Utreras and Ryan Lee's attendance at the NCCCO Mobile Crane Practical Examiners Accreditation Workshop being held in Orlando Florida on December 11-14, 2012 and that they would be reimbursed in accordance with the Fund's reimbursement policy and procedures.**

Ms. DuVall will provide Mr. Schaunaman with travel expense forms for Mr. Utreras and Mr. Lee to itemize their individual expenses incurred in attending the workshop.

IX. MEETING DATE

The next quarterly Board meeting was scheduled for Thursday, February 7, 2013 at 10:00 a.m. in Miami Lakes, Florida. The remaining quarterly meetings were scheduled for May 23, August 22, and November 21, 2013.

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 _____, 2013.

Attachments:
Exhibit A: Apprenticeship Director's Report dated November 29, 2012
Exhibit B: Income and Expense Statement, September 2012
Exhibit C: Financial Statements for Plan Years Ended March 31, 2012 and 2011
Exhibit D: SEI Investment Management Report dated November 29, 2012
Exhibit E: Trustees' Report from Fund Counsel dated November 29, 2012