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, MAY 23, 2013
MIAMI LAKES, FLORIDA

The following Trustees were present:

LABOR TRUSTEES	MANAGEMENT TRUSTEES
M. Schaunaman, Chairman	J. Turk, Secretary
J. Mullen	M. Harrison
S. Singer	F. Villella
W. Utreras	

Also present were:

L. DuVall – Associated Administrators, LLC
D. Haverly – SEI Global Institutional Group
L. 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 February 7, 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 February 7, 2013 as presented.**

III. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Daniel McCullers distributed a Director's Report dated May 23, 2013, 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 to journeyman, seven apprentices joined and one dropped out of the Apprenticeship Program since the last Board meeting. Thirty-six apprentices are enrolled in the Program.

B. Upgrading the Apprenticeship Program

Mr. McCullers reported that he is in the process of reviewing the Apprenticeship Program standards for submission to the Registered Apprenticeship Training representative for State approval. He discussed the possibility of expanding the Apprenticeship Program from a three-year program to a four-year program. He reported that the State compliance audit was conducted on May 14, 2013 and that the Apprenticeship Program met the State requirements. He stated that it is necessary to pour a concrete slab at the training center site in order to meet the National Commission of Certified Crane Operators ("NCCCO") requirements. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve a budget up to $3,000 to install a concrete slab at the training center site to meet NCCCO requirements.**

The Trustees agreed that if additional funds were needed to complete the concrete slab, Fund counsel would poll the Trustees between Board meetings for a vote to increase the $3,000 budget.

C. NCCCO Examiners

Mr. McCullers said that Walberto Utreras and Ryan Lee are serving as NCCCO examiners. The NCCCO practical exams were administered on May 4, 2013. Classes planned for this quarter include Rigging and Signaling Certification on June 1-2, 2013 and 10 Hour OSHA Class on July 6-7, 2013.

D. Broward County School Board

Mr. McCullers said that a check in the amount of $24,598.35 was received from the Broward County School Board, per the contract with the School Board.

E. Apprenticeship Council

Mr. McCullers reported that he attended the West Palm Beach Joint Apprenticeship Training Council meeting on April 16 and May 21, 2013, the UJAC meeting on February 12, 2013, and the SAAC meeting on March 20, 2013. The Florida Building Trades sponsored "Apprenticeship Day on the Hill" at the State Capital in Tallahassee, Florida, on March 21, 2013. Mr. McCullers reports that he and Apprentice Anthony Hill took the crane simulator to Apprenticeship Day and that the Florida Apprenticeship Council reimbursed the Fund in the amount of $300 for the Mr. Hill's participation as an apprentice.

F. Equipment

Mr. McCullers said that the Mechanic Daily Activity Log is available at the training center site.

G. Training Center Site

Mr. McCullers said that mechanic Ron Ziegler continues to work at the training center site repairing and maintaining equipment. He reported that Michael Smith started work as the new apprenticeship training instructor. Six apprentices attended the MCAF Crane Safety, Fall Protection Training, and Trenching Safety classes. The annual picnic was held on March 9, 2013. Gold Coast Crane, Florida Crane & Rigging and Sims Crane provided cranes for the picnic.

IV. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. DuVall reviewed the Income and Expense Statement for March 2013, a copy of which is attached to and made a part of these minutes as Exhibit B. She reported that total assets for the month of March 2013 were $2,180,129.07. She reported that the Fund had total income for the month in the amount of $71,822.61 and total expenses in the amount of $30,817.58, resulting in a total net income of $41,005.03 for the month of March 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 March 2013, which indicated total disbursements of $16,636.52. She reviewed the payroll check register for March 2013, which indicated total payroll of $13,704.46.

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. 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 May 23, 2013, a copy of which is attached to and made a part of these minutes as Exhibit C. Mr. Haverly stated that the Fund's total portfolio had a net return of 6.40% compared to the total index return of 4.47% for the period June 1, 2010 to April 30, 2013. He said that the fiscal year-to-date net return was 1.05% compared to the total index return of 0.81%. Mr. Haverly stated that the asset allocation was 87.9% in fixed income, 9.7% in U.S. equity and 2.4% in World equity.

B. Investment Policy Statement

Ms DuVall stated the February 5, 2013 Investment Policy Statement ("IPS") that was adopted by the Trustees at the February 7, 2013 Board meeting was ready for signatures. The Chairman and Secretary signed the IPS during the meeting.

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

Mr. Haverly reminded the Trustees that SEI would present an educational symposium on June 12-14, 2013 at its corporate headquarters in Pennsylvania. He said that the symposium agenda was included in the SEI investment management report that he distributed.

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

VI. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled Trustees' Report dated May 23, 2013, a copy of which is attached to and made a part of these minutes as Exhibit D.

A. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving Bechtel, Bunnell, Central Maintenance Welding, East Coast Hoist, Nicholson Construction, Paladin Crane Service, Pre-Con Construction, Powermix, Sims Crane, Stone & Webster Construction and Zeiger Crane.

Central Maintenance Welding, Inc.

Ms. Phillips recommended waiving a service fee in the amount of $29.29 incurred by Central Maintenance Welding, Inc. for late payment of January 2010 contributions. This employer is no longer working in the area and has no current Collective Bargaining Agreement. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to write off service fees in the amount of $29.29 for Central Maintenance Welding, Inc. for late payment of contributions for the month of January 2010.**

East Coast Hoist, Inc.

Ms. Phillips recommended waiving a service fee in the amount of $24.35 incurred by East Coast Hoist, Inc. for late payment of August 2010 contributions. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to write off service fees in the amount of $24.35 for East Coast Hoist, Inc. for late payment of contributions for August 2010.**

Paladin Crane Service, Inc.

Ms. Phillips said that Paladin Crane Service incurred a service fee in the amount of $339.42 for late payment of contributions for April and May 2010. Given that Paladin Crane Service is not currently operating in the area and does not have a current Collective Bargaining Agreement, she recommended tabling collection of the service fee for a period of six months pending further review. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to table collection of service fees in the amount of $339.42 from Paladin Crane Service, Inc. for late payment of contributions for April and May 2010 pending further review in six months.

Pre-Con Construction, Inc.

Ms. Phillips said that Pre-Con incurred service fees totaling $1,374.63 for late payment of contributions for January 2012 and July 2012 through January 2013. She recommended a demand letter be sent to Pre-Con. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to authorize Fund Counsel to send a demand letter to Pre-Con Construction, Inc. for service fees in the amount of $1,374.63 for late payment of contributions for January 2012 and July 2012 through January 2013.

Sims Crane

Ms. Phillips said that Sims Crane incurred service fees in the amount of $5,975.57 for late payment of contributions for August 2010. She recommended that a demand letter be sent. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to authorize Fund Counsel to send a demand letter to Sims Crane for service fees in the amount of $5,975.57 for late payment of contributions for August 2010.

Stone & Webster

Ms. Phillips said that Stone & Webster owes $359.76 in service fees for August 2011, December 2011, and January through March 2012. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to authorize Fund Counsel to send a demand letter to Stone & Webster for service fees in the amount of $359.76 for August 2011, December 2011, and January through March 2012.

B. 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 in attendance completed and signed a Certificate.

C. Trustee Education and Travel Expenses

Ms. Phillips announced that International Foundation of Employee Benefits Plans ("International Foundation") was conducting an educational program for new Trustees on June 24-26, 2013 in San Francisco, California. She stated that Trustees interested in attending would need to complete a registration form and send it to the Fund Office to pay the required registration fee. It was discussed that expenses incurred in attending educational programs are reimbursed to the Trustees in accordance with the Fund's Statement of Policy on Payment and Reimbursement of Trustees Expenses. A discussion ensued about the allocation of Trustee expenses among the three Local 487 fringe benefit trust funds. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to allocate Trustee expenses among the three Local 487 fringe benefit trust funds as follows: 45% by the Health and Welfare Fund, 45% by the Pension Fund, and 10% by the Training Fund.**

Ms. DuVall reported that between Board meetings, she had provided each Trustee with a copy of the Fund's Statement of Policy on Payment and Reimbursement of Trustees Expenses that was adopted at the February 7, 2013 Board meeting.

D. Apprenticeship and Training Program

Ms. Phillips stated that she is in the process of reviewing the Apprenticeship standards and selection criteria and anticipated having them ready for presentation at the next meeting.

VII. OTHER FUND BUSINESS

A. Fiduciary Liability Insurance and Fidelity Bond

Ms. DuVall reported that the Fund's fiduciary liability insurance and fidelity Bond carriers were notified that Michael Harrison had replaced Richard Ebsary as a Trustee on the Board effective February 7, 2013.

B. Annual Audit

Ms. DuVall reported that Eric Feld, an auditor from the firm of S I Gordon & Company, PA, was scheduled to be at the Fund Office the week of June 10, 2013 to perform the annual audit of the Plan.

VIII. MEETING DATE

The next quarterly Board meeting is scheduled for Thursday, August 22, 2013 at 10:00 a.m. in Miami Lakes, Florida.

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 __________________________________, 2013.

Attachments:
Exhibit A: Apprenticeship Director's Report dated May 23, 2013
Exhibit B: Income and Expense Statement, March 31, 2013
Exhibit C: SEI Investment Management Report dated May 23, 2013
Exhibit D: Trustees' Report from Fund Counsel dated May 23, 2013