



**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, AUGUST 21, 2014
MIAMI LAKES, FLORIDA**

The following Trustees were present:

LABOR TRUSTEES

M. Schaunaman, Chairman
J. Mullen
S. Singer

MANAGEMENT TRUSTEES

J. Turk, Secretary
J. Epperson
M. Harrison
F. Villella

Also present were:

P. Blizzard – SEI Global Institutional Group
L. DuVall – Associated Administrators, LLC
S. Gordon – S I Gordon & Company, PA
J. Ianniello – Associated Administrators, LLC
R. Joyner – The Segal Company
D. McCullers – Apprenticeship Director
E. Naegele – The Segal Company
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 May 22, 2014, 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 May 22, 2014 as presented.**

III. APPRENTICESHIP DIRECTOR'S REPORT

Mr. Daniel McCullers presented the Director's Report dated August 21, 2014, a copy of which is attached to and made a part of these minutes as Exhibit A. He reported the following:

A. Apprentices

Fourteen apprentices joined and five dropped out of the Apprenticeship Program since the last Board meeting. Seventy apprentices are enrolled in the Program.

B. Upgrading the Apprentice Program

The Apprenticeship Standards were resubmitted to the State of Florida for approval.

He attended the 56th Annual Florida Apprenticeship Conference on July 8-11, 2014 in St. Augustine Florida and the NCCCO overhead crane practical examiners workshop on May 28-30, 2014 in Howell, Michigan. He is now certified to administer the NCCCO overhead crane practical exams. The NCCCO practical exams are administered by scheduled appointment.

C. Apprenticeship Classes

The OSHA 10 Hour Construction Safety Classes were held on July 31, August 2 and August 7, 2014.

D. Broward County School Board

The Apprentice Program received a check from the School Board on August 14, 2014 in the amount of \$13,808.25. The Atlantic Technical Center changed its name to Atlantic College. He attended the monthly United Joint Apprentice Committee of Miami and the Palm Coast Joint Apprentice Committee conference meetings.

E. Equipment

There is no mechanic working in the yard since the Apprentice mechanic left to work for an employer. The engine in the Grove RT48 crane needs to be rebuilt. The hydraulic oil cooler in the Lorain RT-180A crane needs to be replaced. The John Deere Backhoe that was on loan from the International Training Fund was picked up and transported to Local 917.

Mr. McCullers discussed the ongoing cost to repair deteriorating equipment. Ms. Phillips stated that Board approval is required for expenses of the Apprentice and Training Program

that are above and beyond normal operating expenses. She said that if a need for such expenditures arises between Board meetings, a fax vote to seek Trustee approval could be conducted.

F. Training Site

Given that instructor Michael Smith is in New York working with H.J. Foundation, the Apprentice Program needs to hire another part-time instructor to help teach Thursday evening and Saturday classes.

Ms. Phillips stated that Board approval is required to hire an additional part-time instructor. After discussion, on motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve hiring a part-time Apprentice instructor under the same compensation terms and conditions as the existing instructor.

IV. INVESTMENT CONSULTANT'S REPORT

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

Performance Report

Mr. Blizzard distributed SEI's investment management report dated August 21, 2014, a copy of which is attached to and made a part of these minutes as Exhibit B. Mr. Blizzard stated that the market value of the Fund assets in the total portfolio as of June 30, 2014 was \$560,870. Mr. Blizzard stated that the Fund's total portfolio had a net return of 5.58% compared to the total index return of 3.89% for the period June 1, 2010 to June 30, 2014. He said that the fiscal year-to-date net return was 2.27% compared to the total index return of 1.74%. Mr. Blizzard stated that the asset allocation was 74.4% in fixed income, 16.4% in U.S. equity and 9.3% in the World Equity Ex-US.

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

V. AUDITOR'S REPORT

The Trustees welcomed Mr. Steven I. Gordon from the CPA firm of S I Gordon & Company, PA to the meeting.

Financial Statements

Mr. Gordon distributed the Financial Statements for Plan years ended March 31, 2014 and 2013, a copy of which is attached to and made a part of these minutes as Exhibit C. Mr. Gordon expressed an unmodified (clean) 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, 2014 and 2013. Mr. Gordon reviewed the audit report in detail.

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

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

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

VI. ATTORNEY'S REPORT

Ms. Kathleen Phillips distributed a report titled Trustees' Report dated August 21, 2014, 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 Bunnell Foundation, Inc., Powermix Industries and Zeiger Crane Rental, Inc.

Bunnell Foundation, Inc. ("Bunnell")

Ms. Phillips stated that, as requested by the Trustees at the May 22, 2014 Board meeting, she performed a property and lien search on Bunnell and nothing collectible was discovered.

Powermix Industries ("Powermix")

Ms. Phillips stated that, as directed by Trustees at the May 22, 2014 Board meeting, a complaint against Powermix was filed in the Broward County Court Civil Division for contractually obligated service fees in excess of \$5,000.

Zeiger Crane Rental, Inc. ("Zeiger")

Ms. Phillips said that, in accordance with the Trustees' approval at the May 22, 2014 Board meeting, Zeiger had agreed to a three-month plan for payment of service fees. She said that the last of the three payments had been received and the full amount of \$14,328.90 in service fees was paid.

B. Payroll Audits

Ms. Phillips provided the following payroll audit status report received from the CPA firm of S I Gordon & Company:

Barcelona Equipment, Inc. ("Barcelona")

The random audit of Barcelona found that it had not complied with the Collective Bargaining Agreement ("CBA") during the period February 12, 2012 through February 28, 2014 as it relates to fringe benefit contribution requirements. She said that the audit revealed delinquencies in the amount of \$633.89 plus liquidated damages in the amount of \$63.39 and interest in the amount of \$14.45, totaling \$771.72. She said that a demand letter was sent to Barcelona on August 8, 2014 and Barcelona advised that payment was mailed on August 18, 2014.

L & R Structural Corporation, Inc. ("L & R Structural")

The random audit of L & R Structural found that it had not complied with the CBA during the period March 1, 2013 through February 28, 2014, as it relates to fringe benefit contribution requirements. She said that the audit revealed delinquencies in the amount of \$3,309.44 plus liquidated damages in the amount of \$330.94 and interest in the amount of \$23.28, totaling \$3,663.66. She said that a demand letter requesting a response within ten days was sent to L & R Structural on August 20, 2014 for the total amount of \$5,443.66, which represented the delinquency, interest and liquidated damages plus audit fees in the amount of \$1,605 and attorney's fees in the amount of \$175.

Zeiger Crane Rental, Inc.

The random audit of Zeiger found that it complied with the CBA during the period August 1, 2012 through February 28, 2014 based on the audit procedures performed. However, Zeiger failed to provide records for non-union employees and subcontractor activity. She said that a

letter was sent on August 11, 2014 advising Zeiger that although it had been found to be in compliance with the CBA, there may be amounts owed that have not been determined at this time because of Zeiger's failure to provide all records necessary to complete the audit. Ms. Phillips advised that she would follow up with the union to confirm bargaining unit employees.

Kelly Equipment Rental, Inc.

The Fund auditor is in the process of finalizing the random audit report for Kelly Equipment Rental, Inc.

Precision Surveillance

A random payroll audit of Precision Surveillance has been scheduled to begin in September 2014.

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. DuVall reviewed the Income and Expense Statement for June 30, 2014, 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 June 2014 were \$2,114,248.16, compared to \$2,115,086.04 for June 2013. She reported that for the month of June 2014, the Fund had total receipts of \$30,539.06 and total expenses of \$26,407.40, resulting in a surplus of \$4,131.66. Ms. DuVall presented a Comparative Income Statement for the twelve months ended June 30, 2014.

B. Disbursements

Ms. DuVall presented the expense check register for June 2014, which indicated total disbursements of \$18,168.74. She reviewed the payroll check register for June 2014, which indicated total payroll of \$9,586.64.

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

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

VIII. OTHER FUND BUSINESS

Ms. DuVall reported the following:

Form 990 for Plan Year Ended March 31, 2014

Filing of the Fund's Form 990 by the Fund auditor is on extension until November 15, 2014.

IX. NEXT MEETING DATE AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, November 20, 2014 at 10:00 a.m. in Miami Lakes, Florida.

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 _____

Attachments:

- Exhibit A: Apprenticeship Director's Report dated August 21, 2014
- Exhibit B: SEI Investment Management Report, August 21, 2014
- Exhibit C: Financial Statements for Plan Years Ended March 31, 2014 and 2013
- Exhibit D: Trustees' Report from Fund Counsel, August 21, 2014
- Exhibit E: Income and Expense Statement, June 30, 2014