Florida West Coast Operating Engineers
Apprenticeship Trust Fund
911 Ridgebrook Road
Sparks, MD 21152-9451
Phone: 877-291-2387
www.associated-admin.com

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE FLORIDA WEST COAST OPERATING ENGINEERS APPRENTICESHIP TRUST FUND WEDNESDAY, FEBRUARY 8, 2023 VIA VIDEOCONFERENCE

The following Trustees were present:

LABOR TRUSTEES	MANAGEMENT TRUSTEES
M. Schaunaman, Chairman	P. Taylor, Secretary-Treasurer
J. Junecko	D. Carmack
D. Sherman	J. Dixon

Also present were:

K. Bates – Bates CPA, PLLC
T. Dubose – Legacy Wealth Management
J. Herron – Associated Administrators, LLC
J. Ianniello – Associated Administrators, LLC
A. Lacey – Apprenticeship Director
E. Venable – Venable Law Firm, P.A.

I. CALL TO ORDER

Chairman Schaunaman called the meeting to order. The meeting commenced via videoconference.

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on November 9, 2022, 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 November 9, 2022.

III. <u>AUDITOR'S REPORT</u>

The Trustees welcomed Ms. Krista Bates of Bates CPA, PLLC, to the meeting.

A. <u>Engagement Letter</u>

Ms. Bates presented an engagement letter for the annual audit, the preparation of IRS Form 990, and the performance of payroll audits at a cost of $250 per hour and $150 for services performed by managers, a copy of which is attached to and made a part of these minutes as Exhibit A.

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

RESOLVED to approve the engagement of Bates CPA PLLC to perform the annual audit, tax preparation, and payroll audits for the Fund as proposed in its engagement letter dated January 24, 2023.

B. <u>Financial Statement</u>

Ms. Bates reviewed the draft Financial Statement for Plan years ended March 31, 2022, a copy of which is attached to and made a part of these minutes as Exhibit B. Ms. Bates expressed an unmodified (clean) opinion on the financial statements, meaning that in her opinion, the financial statements present fairly, in all material respects, the financial status of the Fund as of March 31, 2022. Ms. Bates reviewed the draft audit and reported that the total liability and net assets as of March 31, 2022, were $2,516,214. Ms. Bates reviewed the Notes to Financial Statements as of the year ended March 31, 2022.

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

> **RESOLVED to accept the audited Financial Statements for the Plan years ended March 31, 2022.**

The Trustees thanked Ms. Bates for her report, and she was excused from the meeting.

IV. <u>LEGACY WEALTH MANAGEMENT</u>

The Trustees welcomed Mr. Tony DuBose of Legacy Wealth Management to the meeting.

Mr. DuBose reviewed a report titled "Portfolio Review," which is attached to and made a part of these minutes as Exhibit A. Mr. DuBose discussed key information from the report with the Trustees. As of January 24, 2023, the portfolio's market value was $626,292.87. The portfolio had investment returns of $8,065.94 for the period October 31, 2022, through January 24, 2023. The internal rate of return for the portfolio was 1.3% compared to the Bloomberg Barclays U.S. Government 1 – 3 Year Index return of negative 0.46%.

Mr. DuBose said that the asset allocation as of January 24, 2023, was 65.2% in Short/Intermediate Term High-Quality US Bonds, 4.0% in Intermediate-Long Term High-Quality US Bonds, 8.1% in Short-Term Bonds, 19.4% in Treasury Notes, 2.4% in Treasury Bonds, and 1.0% in cash and equivalents. Mr. DuBose said the Fund's investments comply with its Investment Policy Statement. Discussion ensued regarding permissible investments consistent with current asset allocations in the Investment Policy Statement.

V. <u>APPRENTICESHIP DIRECTOR'S REPORT</u>

Mr. Adrian Lacey presented the Director's Report dated February 8, 2023, a copy of which is attached to and made a part of these minutes as Exhibit C. He reported the following:

A. Apprentices

Four new apprentices joined the Program, three completed the Program, four dropped out of the Program, and eight were elevated since the previous Board meeting. A total of 54 apprentices are enrolled in the Program. All apprentices are working except three, who are currently unemployed.

B. Upgrading the Training Program

Mr. Lacey reported that Todd Roper with Equipment Inspection Service, Inc. was on-site to perform a Third Party Inspection on all mobile and tower cranes. On December 5, 2022, Mr. Lacey attended the NCCCO Signalperson Exam Committee meeting via Zoom. From December 2, 2022, through December 9, 2022, he was in Crosby, Texas, teaching the All-Terrain Class. On December 10, 2022, the employee Christmas party was held at Axe & Ale in St. Petersburg, Florida. Mr. Lacey paid the NCCCO Practical Yearly Site fee on December 12, 2022. On December 15, 2022, Mr. Lacey had lunch with Derek Sather from Sims Crane to discuss block training. Mr. Sather expressed how happy he was with the Apprenticeship program. The Dozer D7 Caterpillar was sold for $10,000.00 on December 20, 2022, and the check was overnighted to Associated Administrator's LLC. On January 6, 2023, Mr. Lacey attended the NCCCO Signalperson Exam Committee via Zoom. On January 17, 2023, Mr. Lacey had a meeting with Sims Crane to discuss block training to start in August 2023. On January 28, 2023, the first NCCCO training class was held at the Union Hall, and all materials were passed out. The second NCCCO training class was held on January 29, 2023, at the Union Hall. The third and fourth classes were held on February 4, 2023, and February 5, 2023. Topics covered that weekend consisted of the tower crane and rigger level 1 and Signalperson training. The final review for the NCCCO exams will be held on February 11, 2023, at the Union Hall. Testing will be held on February 12, 2023. There is a total of 53 candidates and 94 exams scheduled. The front gate transmitter and receiver were replaced.

C. Apprentice Training

Twenty-seven NCCCO practical exams, thirteen NCCCO mobile crane exams, six signal person exams, seven rigging level-one exams, and one tower crane exam were administered. Six apprentices earned forklift certification during this quarter.

D. Equipment

Routine maintenance was completed on the Liebherr LTM 1060-2, Grove RT530E-2, Genie GTH-636, Link-Belt Crawler, Neck Breaker Lorain LRT110, Dozer D7 Caterpillar, Case Backhoe 580L, Kubota Lawn Mower, John Deere Gator, John Deere tractor, and John Deere Lift-Type Rotary Cutter. Other maintenance included the installation of a repaired cylinder for the outrigger beam on the driver's side rear on the Liebherr LTM 1060-2. The Link-Belt Crawler LS138H-II received a new LCD screen and Load cell for the LMI. The Kubota Lawn Mower had a recall for fuel tanks that the dealer completed.

E. New Business

1. NCCCO Spring 2023 Commissioner's Week

Mr. Lacey is attending the NCCCO 2023 Spring Commissioner's Week in Atlanta, Georgia, for the week of April 24, 2023, through April 28, 2023.

2. Alfredo Brito

Mr. Lacey asked the Trustees to consider making Alfredo Brito an Assistant and allow him to receive the General Pension Plan.

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

RESOLVED to add Mr. Alfredo Brito to the General Pension Plan.

The Trustees thanked Mr. Lacey for his report.

VI. ATTORNEY'S REPORT

Mr. Venable explained that there was an apprenticeship fund in the area that is in trouble for using work vehicles for what is considered nonbusiness related use (i.e., home-to-work travel). Mr. Venable asked how the Fund handles the taxation for the personal use of the vehicles. At this time, the Fund takes ten percent for personal use. Chairman Schaunaman said he would schedule a meeting with Ms. Krista Bates to discuss the best way to handle the taxation on the personal use of the Fund's vehicles.

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for December 31, 2022, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported total assets for December 2022 of $2,443,657.98, total liabilities of $8,579.19, and total equity of $2,435,078.79. He also reported that for the month ending December 31, 2022, the Fund had a total income of $26,826.79 and total expenses of $53,709.67, resulting in a net deficit of $26,882.88 for the month.

B. Disbursements

Mr. Ianniello presented the expense check register for December 2022, which indicated total disbursements of $28,719.40. He reviewed the payroll check register for December 2022, which showed total payroll of $26,627.26.

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

Mr. Ianniello reported the following:

A. Form 990 filed on January 16, 2023

B. Crane Computer

The Trustees agreed to repair the computer on the Link-Belt LS138HII between meetings.

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

> **RESOLVED to ratify the vote between meetings to approve the repairs to the Link-Belt LS138HII computer.**

C. <u>Ice Machine</u>

The Trustees agreed to purchase a new ice maker not to exceed $2,500.00 between meetings.

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

> **RESOLVED to ratify the vote between meetings to approve the purchase of an Ice Machine not to exceed $2,500.00.**

D. <u>Am-Trust Financial Worker's Compensation Policy</u>

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

> **RESOLVED to pay the Worker's Compensation Policy's initial quote of $998.00 for the period of 3/23/2023 through 3/23/2024.**

E. <u>Fiduciary Liability Renewal</u>

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

> **RESOLVED to pay the Fiduciary Liability Policy premium of $6,246.42 for the period of 3/14/2023 through 3/14/2024.**

F. <u>Reimbursement Policy Update</u>

Trustees discussed updating the Reimbursement Policy for NCCCO certifications.

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

> **Resolved, The FWCOE Trust Fund will reimburse Local 487-District members up to $500 per member per calendar year for out-of-pocket costs for obtaining or maintaining their NCCCO certifications. Any member whose costs are less than $500 for successful completion of certification in a calendar year will only be reimbursed the actual cost. Reimbursement will only be granted when a member has successfully completed his or her initial certification or recertification. The member must provide the NCCCO test authorization email showing the test to be taken and the corresponding cost, along with a copy of their NCCCO card showing the newly added certification and updated expiration date. All documents must be submitted within 90 days of NCCCO certification issuance.**

G. The Conflict of Interest policy will be sent out for signature to the Trustees.

IX. MEETING DATES AND LOCATIONS

The next quarterly Board Meeting is scheduled for May 10, 2023, at 10 a.m., via videoconference.

X. ADJOURNMENT

There being no further business to come before the Board of Trustees, the meeting was adjourned.

Respectfully submitted,

____

Chairman

Secretary-Treasurer

These Minutes were adopted on ______________.

Attachments:

Exhibit A: Engagement Letter – January 24, 2023

Exhibit B: Financial Statement – Plan Year December 2023

Exhibit C: Apprenticeship Director’s Report – February 8, 2023

Exhibit C: Income and Expense Statement – December 31, 2022