South Florida Operating Engineers
Apprentice & 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 11, 2021 VIA VIDEOCONFERENCE

The following Trustees were present:

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

Also present were:

D. Bellows – Bellows, CPA's
N. Durkin – Associated Administrators, LLC
J. Hart – SEI Global Institutional Group
J. Herron – Associated Administrators, LLC
J. Ianniello – Associated Administrators, LLC
K. Phillips – Phillips, Richard & Rind, PA
M. Smith – Apprenticeship Director

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 12, 2021, 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 12, 2021 as presented.**

The Trustees reviewed the minutes of the special meeting held on September 16, 2021, 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 special Board meeting held on September 16, 2021 as presented.**

III. AUDITOR'S REPORT

The Trustees welcomed Ms. Dina Bellows-Levine from Bellows Associated ("Bellows") to the meeting.

A. Audited Financial Statements for Plan Years Ended March 31, 2021 & 2020

Ms. Bellows-Levine presented a Summary of the draft Audited Financial Statements for Plan years ended March 31, 2021 and 2020, a copy of which is attached to and made a part of these minutes as Exhibit A. She 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, 2021 and 2020. She reviewed the audit and reported that the net assets available for benefits as of March 31, 2021 were $4,645,497 compared to $4,229,563 as of March 31, 2020, which represented a decrease of $415,934. Ms. Bellows-Levine reviewed the Notes to Financial Statements as of years ended March 31, 2021 and 2020. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the audited Financial Statements for the Plan years ended March 31, 2021 and 2020, as presented.**

B. Form 990 for Plan Year Ended March 31, 2021

Ms. Bellows-Levine said for the Plan Year ended March 31, 2021, the Form 990 would be filed before February 15, 2021, under the allowable extension of time to file.

The Trustees thanked Ms. Bellows-Levine and excused her from the meeting.

IV. INVESTMENT CONSULTANT'S REPORT

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

A. Performance Report

Mr. Hart discussed SEI's Investment Fiduciary Management Review for the third quarter 2021 dated November 11, 2021, a copy of which is attached to and made a part of these minutes as Exhibit B. He stated that the market value of Fund assets in the total portfolio as of October 31, 2021 was $2,239,131. The fiscal year-to-date net return was 2.11% compared to the total index return of 2.24%.

B. Asset Allocation

Mr. Hart reviewed the Fund's current asset allocation, noting all allocations are within the Fund's revised investment policy target ranges. The asset allocation was 49.6% in fixed income, 31.3% in cash and equivalents, and 19.1% in total equity.

C. Investment Policy Statement ("IPS")

Mr. Hart presented model portfolio options A and B, suggesting that Trustees consider a change to asset class target allocations currently set forth in the IPS dated February 29, 2020. He said that he recommended portfolio option A, which may be compliant with the existing IPS, but which may require modification to the target allocations. Ms. Phillips said that the current IPS targets are 18% in equity, 47% in fixed income, and 35% cash. Mr. Hart said that he will check to see if the changes recommended in option A conform with the current IPS target allocations or if a change to the IPS is required to implement option A. Ms. Phillips confirmed that if the Trustees decide to modify the IPS target allocations, SEI would have the responsibility to make investment changes in accordance with the IPS. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to adopt portfolio A, and to the extent that portfolio A differs from the current IPS, to modify the IPS to conform with the target allocations set forth in portfolio A.**

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

V. DIRECTOR'S REPORT

Mr. Michael Smith presented the Director's Report dated November 10, 2021, a copy of which is attached to and made a part of these minutes as Exhibit C. He reported the following:

A. Apprentices

Seven new apprentices joined the Apprentice Program. Three apprentices were terminated from the Apprentice Program since the last Board meeting. Fifty apprentices are enrolled in the Apprentice Program.

The Apprenticeship Program continues to adhere to guidelines from the Centers for Disease Control and Prevention ("CDC"). Apprentices are required to complete a COVID-19 Questionnaire. They must wear masks, practice safe distancing, undergo temperature testing, and use hand sanitizer.

B. Upgrading the Apprenticeship Program

Mr. Smith said that the Apprenticeship Program ("Program") requires apprentices to have a Class A Commercial Driver License ("CDL"). He suggested changing the Apprenticeship Standards to omit the CDL requirement, in order to increase the number of apprentices available to fill positions for contractors that do not require a CDL. He said that he is trying to get hard-working, stronger candidates that want to become involved in the Program, who will be able to get a CDL through the Program. Mr. Smith confirmed that apprentices would be given up to a one year trial period in which to earn their CDL, and if they did not obtain it, they would be released from the Program. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to revise the Apprenticeship Standards effective December 1, 2021 to waive the CDL requirement for one year for new apprentices, to release apprentices from the Program who do not obtain the CDL within one year, and to revisit the CDL policy in one year.**

Mr. Smith visited Miami Lakes Technical, Sheridan Technical, and Robert Morgan Technical soliciting students for the Apprenticeship Program.

Mr. Smith attended the monthly United Joint Apprentice Council, Miami Dade Youth Pre-Apprenticeship Committee, and Palm Coast Joint Advisory Council via videoconference. An audit related to the Rigger Practical Exam Test was administered on November 5, 2021, and results of the audit are pending. Mr. Smith attended the Hoist and Pulley Conference on August 23 -26, 2021 in Houston, Texas. He attended the 67th Annual Employee Benefits Conference on October 17 – 20, 2021 in Denver, Colorado.

The Learning Management System, which is fully funded by the National Training Fund, will launch in 2022, to allow apprentices to complete training online. Mr. Smith and Trustee John Mullen visited with the Sims Crane contractor located in Fort Myers, Florida to discuss the Apprenticeship Training Program. Mr. Smith said that online classes and one Saturday class at the Training Center have now been scheduled, making it possible for apprentices from the Florida West Coast area to attend.

Mr. Smith said that Fund counsel has been working on the agreement to sponsor Florida International University's Construction Trades Certificate Program. If approved by the Trustees, he will join a committee comprised of other program sponsors. Ms. Phillips said that the Florida Department of Economic Opportunity is considering the matter, and once accepted, the Fund will be able to proceed with finalizing the agreement.

Mr. Smith reported that he would like to sign up for the Amazon Smiles program, which will donate 0.5% of purchases made from Amazon to a non-profit organization. Ms. Phillips said that there is no cost to Fund for this program, and the Fund can be designated as the non-profit entity to receive the 0.5% donation. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the Fund participating in the Amazon Smiles program, pending Fund counsel's review of program materials.

Mr. Smith presented a rough draft for an updated apprenticeship brochure. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the new brochure as presented.

C. Apprenticeship Classes

Signaling certification classes were held on August 19 and August 21, 2021. OSHA 10 certification classes were held on November 6 and November 7, 2021. Another Signaling certification class is scheduled for November 13, 2021.

D. School Board of Broward County ("SBBC")

A check in the amount of $12,540 was received and has been submitted to the Fund administrator.

E. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. Sheridan Vocational installed an engine in the Kenworth tractor and it is now in good running condition. Injectors and a fuel pump were replaced on the forklift. Mr. Smith presented quotes on purchasing a forklift for the estimated amount of $50,000. He said that the working condition of the current forklift is not good, and suggested that a more modern forklift would have different gears. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve purchasing a forklift not to exceed $50,000.

Mr. Smith reported that the United States Department of Labor and Training Administration has agreed to transfer all remaining excess property in the IUOE National Training Fund's excess property program to the National Training Fund. As a result, the Excess Property Program has been terminated. Further, the National Training Fund transfers and conveys the equipment to the Fund in its present "as is" condition, effective October 28, 2021. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to accept the equipment transferred and conveyed from the National Training Fund to the SFOE Apprentice and Training Fund.

F. Training Center

Mr. Smith reported that sixteen NCCCO practical exams were administered during the third quarter of 2021. Sixty-seven visitors signed the on-site visitor list during the third quarter of

2021. The training materials continue to be emailed to members with computer access. Members are requesting paper copies as well.

VI. ATTORNEY'S REPORT

Ms. Phillips distributed a report titled "Trustees Report" dated November 11, 2021, 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 HJ Foundation Company, Laney Directional Drilling Company, Piling Plus, Inc., and Keller North America, Inc.

Ms. Phillips noted that the suspension of assessment of late fees for delinquent contributions was approved by the Board at the prior meeting to be effective through November 11, 2021. Mr. Ianniello reported that he researched mail delivery times in September and October 2021. Mail delivery averaged six days between postmark dates and received dates; however, there were isolated cases where delivery delays ranged from of 10-14 days, and one delivery delay of 19 days. He said that it is also likely to there will be an increase in mail delivery delays over the upcoming holiday season. He suggested that the assessment of late fees could be handled on a case by case basis for employers impacted by significant mail delivery delays, in accordance with the Fund's Collection and Audit Procedures, which allow for consideration to be given to current economic conditions. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to suspend the waiver of late fees effective December 1, 2021.**

Mr. Ianniello said that he would continue to track postmark dates and received dates for this purpose.

B. Payroll Audits

Ms. Phillips provided the following payroll audit status report:

Superior Rigging and Erecting Company ("Superior")

The random audit of Superior found that it complied with the Collective Bargaining Agreement for the period July 1, 2017 through June 30, 2019 as it related to fringe benefit contribution requirements.

Random Payroll Audits

Ms. Phillips reported that the following employers were referred to Bellows Associates, P.A. for random payroll audits: B&M Marine Construction, Inc., BHI Specialty Services, Bigge Crane & Rigging Company, HJ Foundation Company, DLS Prestressed, Inc., and Malcolm Drilling Company, Inc. The auditor reported that request letters were sent to all employers on October 18, 2021, and employers will be contacted to schedule the field work.

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for September 30, 2021, a copy of which is attached to and made a part of these minutes as Exhibit E. He reported total assets for the month of September 30, 2021 were $4,775,034.41 compared to $4,495,909.96 in September 2020. He presented a Comparative Income Statement for the twelve months ended September 30, 2021. He reported that for the month of September 2021, the Fund had total receipts of $45,824.46 and total expenses of $41,968.44, resulting in a surplus of$3,856.02.

B. Disbursements

Mr. Ianniello presented the expense check register for September 2021, which indicated total disbursements of $27,583.67. He reviewed the payroll check register for September 2021, which indicated total payroll of $15,302.02. 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. Associated Administrators Renewal

Mr. Ianniello stated that the Fund's administrative services contract with Associated Administrators, LLC ("Associated") will expire on December 31, 2021. He presented a letter from Associated dated November 11, 2021 proposing a three-year contract renewal for the period of January 1, 2022 through December 31, 2024, a copy of which is attached to and made a part of these minutes as Exhibit F. He discussed the justification for the requested fee increases. 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, 2021 through December 31, 2024 as presented.**

IX. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, February 10, 2021 at 9 a.m., via videoconference. The remaining regular Board meetings were scheduled for May 12, August 11, and November 10, 2022.

X. 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: Draft Audited Financial Statements
Exhibit B: SEI Investment Fiduciary Management Review for Third Quarter 2021, November 11, 2021
Exhibit C: Director’s Report, November 11, 2021
Exhibit D: Trustees Report from Fund Counsel, November 11, 2021
Exhibit E: Income and Expense Statement, September 30, 2021
Exhibit F: Associated Contract Renewal