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 10, 2022
VIA VIDEOCONFERENCE

The following Trustees were present:

LABOR TRUSTEES	**MANAGEMENT TRUSTEES**
M. Schaunaman, Chairman	J. Turk, Secretary-Treasurer
J. Mullen	S. Alfele
S. Singer	J. Epperson
W. Utreras	D. Short

Also present were:

D. Bellows – Bellows CPA's
J. Bucha - SEI
J. Herron - Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
K. Phillips - Phillips, Richard & Rind, PA
M. Smith - Apprenticeship Director

I. CALL TO ORDER

Mr. Ianniello reported that Mr. David Short and Mr. Scott Alfele had accepted the vacant Management Trustee positions. A quorum being present, the Chairman called the meeting to order.

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on August 4, 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 August 4, 2022, as presented.**

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

The Trustees welcomed Ms. Dina Bellows-Levine from Bellows Associates, CPA, to the meeting.

A. <u>Audited Financial Statements for Years Ended March 31, 2022, & 2021</u>

Ms. Bellows-Levine presented a Summary of the draft Audited Financial Statements for the Plan years ended March 31, 2022, and 2021, 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, 2022, and 2022. She reviewed the audit and reported that the net assets available for benefits as of March 31, 2022, were $4,958,387 compared to $4,645,497 as of March 31, 2021, which represented an increase of $312,890. Ms. Bellows-Levine reviewed the Notes to Financial Statements as of the years ended March 31, 2022, and 2021.

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, 2022, and 2021, as presented.**

B. <u>Form 990 for plan Year Ended March 31, 2022</u>

Ms. Bellows-Levine said that for the Plan Year ended March 31, 2022, Form 990 would be filed before February 15, 2023, under the allowable extension of time to file.

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

IV. INVESTMENT CONSULTANT’S REPORT

The Trustees welcomed Mr. Jacob Bucha from SEI Global Institutional Group (“SEI”) to the meeting.

A. Performance Report

Mr. Bucha discussed SEI’s Investment Fiduciary Management Review for the third quarter of 2022, dated November 10, 2022, 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 September 30, 2022, was $2,030,954. The fiscal year-to-date net return was negative 9.6% compared to the total index return of negative 3.0%.

B. Asset Allocation

Mr. Bucha reviewed the Fund’s current asset allocation, noting that all allocations are within the Fund’s revised investment policy target ranges. Current allocation targets are 43.7% in fixed income, 34.8% in cash and equivalents, 5.6% Multi-Asset Return Fund and 15.8% in total equity.

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

C. Replacing Investment Consultant

Fund Counsel addressed the need for the Fund to find a new Investment Consultant. After the departure of Mr. John Hart from SEI, SEI no longer wants to manage the Fund’s account as it is too small for SEI.

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

> **RESOLVED, to interview replacement Investment Consultants at the February 2023 Trustee meeting.**

V. DIRECTOR’S REPORT

Mr. Michael Smith presented the Director’s Report dated November 10, 2022, a copy of which is attached to and made a part of these minutes as Exhibit C. He reported the following:

A. Apprentices

Fifteen new apprentices joined the Apprenticeship Program. Two graduated, and twelve apprentices were terminated from the Apprenticeship Program since the last Board meeting. Ninety-four 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 reported that there were 35 applications for the Apprenticeship Program. Due to the high demand from contractors needing apprentices, advertising is done on Indeed and Google. Mr. Smith continues to visit with contractors to discuss the apprenticeship training program and the apprentices.

Mr. Smith attended an NCCCO webinar on August 11, 2022, regarding the policy updates. Mr. Smith participated in The Mega Job Fair on August 25, 2022, at the Florida Live Arena with Sims Crane. On September 7, 2022, he attended the Diesel Mechanics advisory meeting at Miami Lakes Technical. Classes have returned to Green Collar Task Force (Port St. Lucie). Aj Ayvaz has returned as an instructor and held their first class on September 13, 2022. Bellows and Associates conducted a site audit checking the equipment on October 20, 2022, in which all equipment is accounted for. Mr. Smith attended the NCCCO Trainers Workshop in Palm Harbor, Florida, on October 25, 2022. Mr. Smith participated in a job fair at Plantation High School on November 2, 2022. On November 10, 2022, Mr. Smith is attending the Commercial Vehicle Driving Advisory Committee meeting. Mr. Smith continues participating in the PCJAC, MDYPA, and UJAC meetings.

Mr. Smith requested approval to attend the International Foundation of Employee Benefit Plans Conference for the Institute for Apprenticeship Training and Education Program in San Juan, Puerto Rico, on January 23-25, 2023.

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

> **RESOLVED, to approve the Apprenticeship Director to attend the Employee Benefits Conference on January 23-25, 2023, in San Juan, Puerto Rico, with expenses not to exceed $3,800.**

C. <u>Apprenticeship Classes</u>

Sixteen apprentices attended the Rigging/Signaling Class held on August 27, 2022, at Sim's Vero. Twenty-one apprentices attended the Rigging Class held on September 10, 2022. Twenty-two apprentices attended the Crane Signaling and Rigging practicals held on October 1, 2022, for the Vero Sim's apprentices. Twenty apprentices attended the Crane Signaling Class held on October 8, 2022. The Backhoe Trench & Safety class scheduled for August 6th was held on October 2, 2022, and sixteen apprentices attended. An OSHA 10 Class will be held at the Union Hall in Miami on November 5 & 6, 2022.

D. <u>School Board of Broward County ("SBBC")</u>

A $23,074.80 check was received from the School Board.

E. <u>Equipment</u>

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. The 140-ton P&H was sold on August 5, 2022, for $20,000.00.

A quote was received from the Kobelco dealer at Sims Crane for a new monitor screen in the Kobelco CK-850-II for $2,197.53.

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

> **RESOLVED, to approve the purchase of the new monitor screen for the Kobelco CK-850-II in the amount of $2,197.53.**

Mr. Smith asked the Trustees to extend the Pilot Program for apprentices without a CDL License to be allowed to enter the apprenticeship program. The Trustees asked Mr. Smith to look into how much it would cost for them to start a CDL program at the apprenticeship school and report on it at the next Trustees meeting.

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

> **RESOLVED, to extend the ability for apprentices without a CDL license to be allowed to start the apprenticeship program until December 2023 and to reevaluate next year.**

F. <u>Training Center</u>

Mr. Smith reported that eight NCCCO practical exams were administered during the third quarter of 2022. Sixty visitors signed the on-site visitor list during the third quarter of 2022. Mr. Smith, with the help of the plumbers, electricians, Sims Crane Miami, and Miami Transfer, moved the training building on August 5 & 6, 2022. Everything went as planned, and they are up and running.

VI. <u>ATTORNEY'S REPORT</u>

Ms. Phillips distributed the "Trustees Report" dated November 10, 2022, a copy of which is attached to and made a part of these minutes as Exhibit D.

A. <u>Delinquency and Collections</u>

Ms. Phillips provided an update on delinquency and collection matters involving Laney Directional Drilling Company, Sarens Nuclear & Industrial Services, LLC, Tricon Group, Inc., and Pre-Con Construction:

1. <u>Laney Directional Drilling Co.</u>

On October 13, 2022, administrators sent a collection letter in the amount of $1,519.63 for the late payment of the August 2022 contributions. A demand letter was sent by the fund counsel on November 2, 2022 via Certified Mail for the total amount of $1,829.63 ($1,519.63 plus $310.00 in attorney's fees and costs). Administrators indicated that as of today, payment has not been received.

2. <u>Sarens Nuclear & Industrial Services, LLC</u>

On September 19, 2022 administrators sent a collection letter for the unpaid contributions for the months of March through June 2022, plus an additional 10% in service fee assessed for the late payment of these contributions. On October 13, 2022, fund counsel was notified that payment for the contributions from March through June 2022 were received on October 6, 2022, but failed to include the late fee assessed for the late payment of the contributions. A demand was sent by the fund counsel on November 2, 2022 via Certified Mail for the total amount of $1,636.02 ($1,326.02 late fees plus $310.00 in attorney's fees and costs). Administrators indicated that as of today, payment has not been received.

3. Tricon Group, Inc.

On August 25, 2022, payment in the amount of $400.93 was received from Tricon Group, Inc. which included the November 2021 late fee ($125.93), and the $275.00 assessed in fees and costs. Waiver was granted per the action of the board for the period of March 2022 ($132.56).

4. Pre-Con Construction

Ms. Phillips said that Pre-Con Construction requested a waiver of service fees totaling $235.95 for the late payment of its July 2022 contributions. She recommended granting the waiver in accordance with the Fund's Collection and Audit Procedures. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to waive service fees due from Pre-Con Construction in the amount of $235.95 in accordance with the Fund's Collection and Audit Procedures.**

B. Payroll Audits

Ms. Phillips provided the following payroll audit status report as provided by the Bellows firm:
BHI Specialty Services – Audit completed; found to be in compliance
HJ Foundation Company – Audit completed; found to be in compliance
Malcolm Drilling Company, Inc. – Under Review

C. FLORIDA CONCRETE STRONG, LLC

Ms. Phillips reported that her office provided Florida Concrete Strong, LLC, with a breakdown of the charges. At this time, she is still waiting to hear back from them.

D. CONFLICT OF INTEREST FORMS TO NEW TRUSTEES

Ms. Phillips reported that the Conflict of Interest Policy forms need to be sent to the new Trustees to be filled out.

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for September 30, 2022, a copy of which is attached to and made a part of these minutes as Exhibit E. He reported that total assets on September 30, 2022, were $5,276,549.98 compared to $4,775,034.41.68 in September 2021. He presented a Comparative Income Statement for the twelve months ended September 30, 2022. He reported September 2022, the Fund had total receipts of $41,288.76 and total expenses of $55,326.54, resulting in a $14,037.78 deficit.

B. Disbursements

Mr. Ianniello presented the expense check register for September 2022, which indicated total disbursements of $94,062.08. He reviewed the payroll check register for September 2022, which showed total payroll of $28,093.21.

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

The Fund auditor filed Form 8868 with the IRS to extend the reporting deadline to February 15, 2023, for the Fund's Form 990 for the Plan year ended March 31, 2022.

B. Fiduciary Liability Insurance Renewal

A quote was received for the renewal of the Fiduciary Liability Policy for January 1, 2023, to January 1, 2024. Since the current policy includes a Renewal Guarantee Endorsement, there is no increase in premium. The renewal premium is $12,010, with a base policy premium of $11,785 and a waiver of recourse premium of $225.

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

> **RESOLVED, to approve the renewal of the fiduciary liability insurance policy for the period of January 1, 2023, to January 1, 2024, at a premium of $12,010 ($11,785 base premium and $225 waiver of recourse premium), with $9,428 to be paid by the Health & Welfare Fund and $2,357 to be paid by the Apprentice and Training Fund (80/20% split).**

C. International Foundation for Employee Benefit Plans (IFEBP) Membership

The Fund's IFEBP membership renewal invoice was received at a cost of $1,360 for 2023.

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

> **RESOLVED, to renew the IFEBP membership at a cost of $1,360 with $1,088 to be paid by the Health & Welfare Fund and $272 to be paid by the Apprentice and Training Fund (80/20% split).**

IX. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, February 9, 2023, at 9 a.m., via videoconference. The remaining regular Board meetings were scheduled for May 11, August 10, and November 9, 2023.

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: Audited Financial Statements for Plan years ended March 31, 2022, and 2021
Exhibit B: SEI Investment Fiduciary Management Review for Third Quarter 2022, November 10, 2022
Exhibit C: Director's Report, November 10, 2022
Exhibit D: Trustees Report from Fund Counsel, November 10, 2022
Exhibit E: Income and Expense Statement, September 30, 2022