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, AUGUST 13, 2020 VIA WEBEX CONFERENCE

The following Trustees were present:

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

Also present were:

D. Clutts - Associated Administrators, LLC
N. Durkin - Associated Administrators, LLC
L. DuVall - Associated Administrators, LLC
J. Hart - SEI Global Institutional Group
D. McCullers - Apprenticeship Director
K. Phillips - Phillips, Richard & Rind, PA
E. Slazyk – Arcwerks Inc.

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 14, 2020, 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 14, 2020 as presented.**

III. 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 Quarterly Investment Review Second Quarter 2020 dated August 2020, a copy of which is attached to and made a part of these minutes as Exhibit A. He stated that the market value of Fund assets in the total portfolio as of June 30, 2020 was $2,089,189. The fiscal year-to-date net return was 4.70% compared to the total index return of 4.41%.

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 48.3% in fixed income, 33.5% in cash and equivalents, and 18.2% in total equity.

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

IV. DIRECTOR'S REPORT

Mr. McCullers presented the Director's Report dated August 13, 2020, a copy of which is attached to and made a part of these minutes as Exhibit B. He reported the following:

A. Apprentices

Two new apprentices joined the Apprentice Program. Twelve apprentices were terminated from the Apprentice Program since the last Board meeting. Fifty-two apprentices are enrolled in the Apprentice Program. Six are currently not working.

Apprentice classes continue to be offered online using GoToMeeting and testing is offered using Testmoz. As of August 1, 2020, hands-on classes have been offered using three instructors per class with four to five apprentices per instructor. The small groups enable social distancing while providing apprentices with hands-on training. All apprentices are required to provide written confirmation that they have no symptoms and have not come in contact with anyone with COVID-19, and they must wear masks and practice safe distancing.

B. Upgrading the Apprenticeship Program

Mr. McCullers attended the monthly United Joint Apprentice Council ("UJAC") on June 15, 2020 via GoToMeeting and Palm Coast Joint Advisory Council ("PJAC") conference meeting on June 21, 2020 via Zoom. The 2020 Florida Apprenticeship Conference was cancelled and will be rescheduled to 2021. The Hoisting and Portable Equipment Training Conference scheduled for July 14 -16, 2020 has been cancelled. The IUOE Training Center in Crosby, Texas has been closed until further notice due to COVID-19. Members of IUOE Local 487 have been reimbursed up to $300 each for the cost of maintaining NCCCO certifications, as reported on NCCCO Examination Reports.

C. Apprenticeship Classes

Five journeymen and twenty apprentices attended a signaling class on August 1, 2020. A certification sign-up sheet is available to apprentices for forklift, signaling, and rigging classes. The classes will not be scheduled until rules for social distancing due to COVID-19 are relaxed.

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

The SBBC has terminated some apprentices from the program due to absenteeism.

E. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. A mechanic and an apprentice have been working at the Training Center to maintain equipment and perform repairs so that the equipment will be in good operating condition when apprentices return to the Training Center for NCCCO practical testing and hands-on training.

The tower crane needs an overhaul. Morrow Equipment Company, LLC quoted $40,000 to perform the overhaul, including parts and labor. An electronic poll was taken between Board meetings with the majority of Trustees voting in support of engaging Morrow to perform the work. The Restated Agreement and Declaration of Trust allows for action to be taken by Trustees without a meeting if all of the Trustees agree to such action in writing. Discussion ensued. Trustee Utreras reported on the unsafe condition of the tower crane and reiterated the need for an overhaul. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the expense not to exceed $40,000 to engage Morrow Equipment Company, LLC to overhaul the tower crane, including parts and labor.

F. Arcwerks, Inc.

The Trustees welcomed Mr. Eric Slazyk of Arcwerks, Inc. to the meeting. He reported on the status of approvals he is seeking from the City of Pembroke Pines Planning and Zoning Department. He said that revised drawings addressing comments received from the Development Review Committee were submitted on July 10, 2020. He said that he will give a presentation on the building site plan at a virtual public meeting on August 10, 2020. The meeting date and time were posted as required on July 9, 2020. Another meeting is scheduled for August 27, 2020, and final drawings may then be submitted for permits. The report from the City of Pembroke Pines is currently pending, and is expected to be released the week of August 17, 2020. As the project moves forward, Mr. Slazyk will contact a mechanical engineer and a structural engineer. He said that drawings for civil engineering are approximately 80% complete and landscape drawings are approximately 90% complete.

Mr. McCullers requested that Mr. Slazyk explain a change to the number of recreational vehicle ("RV") parking spaces included in the site plan. Mr. Slazyk said that the number of RV parking spaces in the site plan was reduced to improve the pervious-to-impervious surface ratio, which may also reduce expenses related to paving and other costs. Trustee Schaunaman said that he agrees with changing the site plan to remove some of the RV spaces. Mr. Slazyk said that time could be saved by permitting and bidding on work simultaneously. He indicated there would be a moderate risk to starting construction drawings prior to obtaining final approval from the Planning and Zoning Department. Receipt of a report from the City of Pembroke Pines and a recommendation for Planning and Zoning approval would lessen risk. He said that a soils investigation report is required to begin plans for structural engineering.

Mr. McCullers said that Mr. Marc Tolliver of Carnahan Proctor and Cross, Inc. ("CPC") contacted him this morning indicating that additional fees are needed for CPC to complete the project. Mr. Tolliver confirmed that fee estimates are based on CPC's 2019 hourly rate schedule, which was included in the original contract. Trustee Schaunaman asked Mr. Slazyk if the fees appear to be reasonable and if anything can be done to reduce CPC's fees. Ms. Clutts posted in the WebEx view screen the breakdown in proposed fee increases and additional fees received from Mr. Tolliver. A copy is attached to and made a part of these minutes as Exhibit C. The requested fee increases total $9,000, including:

- $2,800 for Site Plan Processing Assistance;
- $3,400 for Civil Engineering Construction Documents;
- $1,800 for Government Approvals and Permitting; and
- $1,000 for Construction Phase Services.

The additional service fees requested by CPC total $10,600, including:

- $6,000 for Geotechnical Investigation and
- $4,600 for Earthwork Analysis.

Mr. Slazyk agreed that CPC's stated additional time needed to complete the revisions is reasonable. He suggested obtaining bids for the additional services CPC proposed. After discussion, Mr. McCullers said that he will request bids on the services for geotechnical investigation and earthwork analysis.

Ms. Clutts said that CPC's original Agreement was for a fixed fee of $39,800. To date, CPC has been paid close to that amount.

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

RESOLVED to approve the fee increases requested by Carnahan Proctor and Cross, Inc. not to exceed $9,000 for site plan processing assistance, civil engineering construction documents, government approvals and permitting, and construction phase services.

RESOLVED to approve a cost not to exceed $10,600 to contract the lowest bidder for geotechnical investigation and earthwork analysis.

The Trustees thanked Mr. Slazyk for his report and he was excused from the meeting.

G. <u>Training Center</u>

Mr. McCullers reported that twelve NCCCO practical exams were administered during the second quarter of 2020. Ten apprentices passed and two apprentices failed. Due to COVID-19, numerous apprentices and members have inquired about taking NCCCO practical tests and were informed by the NCCCO that a one-year period for practical testing will be extended on an individual, case-by-case basis.

Thirty-three visitors signed the on-site visitor list during the second quarter of 2020. Due to COVID-19, the number of visitors to the Training Center will be limited until further notice. The Training Center continues to make an effort to accommodate journeymen training and testing, using guidelines for COVID-19 from the Centers for Disease Control and Prevention.

The site plan submitted to the Development Review Committee at the City of Pembroke Pines is nearing approval. The new building is proceeding as planned, and Director McCullers is in contact with the team working with the civil, landscaping, and architectural engineers. It will be necessary to remove the existing mobile classroom before construction begins. Mr. McCullers is looking for an alternative area to be used temporarily for office and classroom space. Discussion ensued. Trustees offered suggestions regarding alternative space that might be considered such as a nearby church facility or the carpenter's hall. Mr. McCullers thanked the Trustees for their suggestions. He said that virtual classes are working at present, but he appreciates these suggestions and will keep them in mind for future needs.

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

Ms. Phillips distributed a report entitled "Trustees Report" dated August 13, 2020, 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 HJ Foundation Company, BluRoc, LLC, Sarens USA, Inc., and Zeiger Crane Rental.

<u>Zeiger Crane Rental, Inc. ("Zeiger")</u>

Ms. Phillips said that Zeiger requested a waiver of service fees totaling $2,692.01 for the late payment of its April 2020 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 Zeiger Crane Rental, Inc. in the amount of $2,692.01 in accordance with the Fund's Collection and Audit Procedures.**

B. Payroll Audits

Ms. Phillips provided the following payroll audit status report:

Morrow Equipment Company, LLC ("Morrow")

Ms. Phillips reported that in January 2020 a demand for compliance with the payroll audit was sent to Morrow. On August 7, 2020 another demand letter was sent requesting compliance with the audit and requesting that Morrow contact the auditor's office to make documents available for review.

M.J. Harrison Leasing, Inc.

Ms. Phillips said that the random audit of M.J. Harrison Leasing ("Harrison") found that it complied with the Collective Bargaining Agreement during the period July 1, 2017 through June 30, 2019 as it related to fringe benefit contribution requirements.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for June 30, 2020, 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 30, 2020 were $4,373,506.28 compared to $3,820,998.29 in June 2019. Ms. Clutts presented a Comparative Income Statement for the twelve months ended June 30, 2020. She reported that for the month of June 2020, the Fund had total receipts of $75,888.14 and total expenses of $61,107.05, resulting in a surplus of $14,781.09.

B. Disbursements

Ms. Clutts presented the expense check register for June 2020, which indicated total disbursements of $53,364.69. She reviewed the payroll check register for June 2020, which indicated total payroll of $18,990.63. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

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

VII. OTHER FUND BUSINESS

Ms. Clutts reported the following:

A. Workers Comprehensive Insurance Premium Audit

The Hartford Group notified the Fund of a workers compensation insurance premium audit for the policy period July 1, 2019 to July 1, 2020. The requested data was submitted on July 29, 2020. Results of the audit have not yet been received.

B. Form 990

The Fund auditor filed the Form 8868 with the IRS to extend the reporting deadline to February 15, 2021 for the Fund's Form 990 for Plan year ended March 31, 2020.

C. Transfer from Labor Management Committee ("LMC")

A check in the amount of $2,876.34 from the LMC was received on July 2, 2020 in accordance with the prior approval by this board and upon resolution by the LMC board.

VIII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, November 12, 2020 at 10:00 a.m., location to be determined.

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 ______________________________.

Attachments:

Exhibit A: Director's Report, August 13, 2020
Exhibit B: SEI Quarterly Investment Review First Quarter 2020, August 2020
Exhibit C: Breakdown in Proposed Fees from Carnahan Proctor and Cross, Inc., August 13, 2020
Exhibit D: Trustees Report from Fund Counsel, August 13, 2020
Exhibit E: Income and Expense Statement, June 30, 2020