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 12, 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. Bellows-Levine - Bellows Associates, PA
D. Clutts - Associated Administrators, LLC
N. Durkin - Associated Administrators, LLC
L. DuVall - Associated Administrators, LLC
J. Hart - SEI Global Institutional Group
J.Ianniello - Associated Administrators, LLC
D. McCullers - Apprenticeship Director
K. Phillips - Phillips, Richard & Rind, PA

I. CALL TO ORDER

A quorum being present, Chairman Schaunaman called the meeting to order. Ms. Clutts introduced Mr. Jeff Ianniello of Associated Administrators, LLC.

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on August 13, 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 August 13, 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 Third Quarter 2020 dated November 12, 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 September 30, 2020 was $2,124,632. The fiscal year-to-date net return was 6.48% compared to the total index return of 6.21%. Mr. Hart said that low volatility investment portfolios are currently underperforming, but that he anticipates a market correction.

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% in fixed income, 33% in cash and equivalents, and 19% in total equity.

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

IV. AUDITOR'S REPORT

The Trustees welcomed Ms. Dina Bellows-Levine of Bellows Associates, PA to the meeting.

A. Audited Financial Statements for Plan Year Ended March 31, 2018

Ms. Bellows-Levine reviewed the Financial Statements for the Plan years ended March 31, 2020 and 2019, a copy of which is attached to and made a part of these minutes as Exhibit B. 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, 2020 and 2019. She reviewed the audit and reported that the net assets available for benefits as of March 31, 2020 were $4,229,563 compared to $3,700,576 as of March 31, 2019, which represented an increase of $528,987. Ms. Bellows-Levine reviewed the Notes to Financial Statements as of years ended March 31, 2020 and 2019. 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, 2020 and 2019, as presented.

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

V. ATTORNEY'S REPORT

Ms. Phillips distributed a report entitled "Trustees Report" dated November 12, 2020, a copy of which is attached to and made a part of these minutes as Exhibit C.

A. Delinquency and Collections

Ms. Phillips provided an update on delinquency and collection matters involving HJ Foundation Company, BluRoc, LLC, and Ebsary Foundation.

HJ Foundation Company ("HJ Foundation")

Ms. Phillips said that HJ Foundation requested a waiver of service fees totaling $12,699.22 for the late payment of its April and May 2020 contributions. She recommended granting the waiver in accordance with the Fund's Collection and Audit Procedures, which allow for current economic conditions to be considered with respect to waiver requests. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to waive service fees due from HJ Foundation Company in the amount of $12,699.22 in accordance with the Fund's Collection and Audit Procedures.

Ebsary Foundation

Ms. Phillips said that Ebsary Foundation requested a waiver of service fees totaling $3,653.56 for the late payment of its June 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 Ebsary Foundation Company in the amount of $3,653.56 in accordance with the Fund's Collection and Audit Procedures.

B. COVID Exposure

Ms. Phillips said that an apprentice working at the Training Center requested paid leave time during the period in which he was required to quarantine for COVID-19-related reasons. She said that, in an abundance of caution, she recommended that he be paid for the two-week quarantine period. Ms. Phillips further discussed the complexities involved in attempting to invoke the small employer exemption under the Emergency Paid Sick Leave and Emergency Family and Medical Leave Expansion acts. The Trustees concurred and ratified the action.

VI. DIRECTOR'S REPORT

Mr. McCullers presented the Director's Report dated November 12, 2020, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported the following:

A. Apprentices

Two new apprentices joined the Apprentice Program. Six apprentices were terminated from the Apprentice Program since the last Board meeting. Forty-eight apprentices are enrolled in the Apprentice Program. Four are currently not working.

Apprentice classes continue to be offered online using GoToMeeting and testing is offered using Testmoz. Hands-on classes continued to be offered with no more than six apprentices per instructor. All apprentices are required to provide written confirmation that they have no symptoms and have not come in contact with anyone with COVID-19. They must wear masks, practice safe distancing, temperature testing, and use hand sanitizer.

B. Upgrading the Apprenticeship Program

Mr. McCullers and Mr. Michael Smith attended the monthly United Joint Apprentice Council ("UJAC") via GoToMeeting and Palm Coast Joint Advisory Council ("PJAC") conference meeting via Zoom. Mr. Smith is working at the Training Center to maintain equipment and shadow Mr. McCullers in the Director's position, which will assist in the transition when Mr. McCullers retires in April 2021. Mr. McCullers and Mr. Smith attended the Building Trades Meeting on October 22, 2020 via Zoom. Mr. Smith completed an audit for his practical examiner's license. When licensed, he will be able to administer NCCCO examinations with a two-day notice. Mr. McCullers and Mr. Smith participated in the Broward County Commissioners' meeting on November 10, 2020 for National Apprentice Week. Mr. McCullers will attend a virtual NCCCO Practical Examiner Operator Refresher workshop on December 17, 2020. Mr. McCullers is scheduled to teach at the Chief Engineer/Facility Management

Seminar on December 14 – 18, 2020, in Crosby, Texas. The Fund will be reimbursed for his salary.

Mr. McCullers said that the NCCCO Practical Examiner Certification Workshop in Disputanta, Virginia, which was previously approved for Mr. Smith to attend, was cancelled. He was able to find another similar workshop, which he then attended. Mr. McCullers said that Mr. Smith's expenses for rental car, food, lodging, and airfare totaled $911.05. He requested that such expenses be approved. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve expenses not to exceed $950 for Mr. Michael Smith's expenses to attend the NCCCO Practical Examiner Certification Workshop.**

C. <u>Apprenticeship Classes</u>

A certification sign-up sheet is currently available for classes in forklift, signaling, and rigging. When an adequate number of apprentices are listed, dates will be announced for virtual classes online, until rules for social distancing under COVID-19 are relaxed.

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

A check in the amount of $32,560 was received for the period August 19, 2020 through December 31, 2020.

E. <u>Equipment</u>

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. The tower crane was taken down by Morrow Crane for a complete overhaul. Instructor, Michael Smith, and an apprentice have been working at the Training Center to maintain equipment.

Mr. McCullers requested approval to purchase an LED illuminated sign for the tower crane, which would provide good advertising for the Training Center. He provided a quote from Dee Sign totaling $9,644.68. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve purchase of an LED illuminated sign for the tower crane at an amount not to exceed $9,700.**

Mr. McCullers said some employers had requested that training be provided in driving a truck or tractor with cab and a manual transmission. He discussed the safety topics and testing that might be included in such training, and presented samples of used tractors with day cabs available to purchase at a cost of $18,000 and $30,495. After discussion, the Trustees agreed to table the matter for further consideration.

F. Training Center

Mr. McCullers reported that ten NCCCO practical exams were administered during the third quarter of 2020. Eight apprentices passed and two apprentices failed.

Eighteen visitors signed the on-site visitor list during the third quarter of 2020. 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 has been approved. The new building is proceeding as planned. Director McCullers is in contact with the team working with the civil, landscaping, and architectural engineers, and they are close to having the permit drawings go out to bid.

VII. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for September 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 September 30, 2020 were $4,495,909.96 compared to $3,995,347.43 in September 2019. Ms. Clutts presented a Comparative Income Statement for the twelve months ended September 30, 2020. She reported that for the month of September 2020, the Fund had total receipts of $45,483.05 and total expenses of $37,590.10, resulting in a surplus of $7,892.95.

B. Disbursements

Ms. Clutts presented the expense check register for September 2020, which indicated total disbursements of $16,516.27. She reviewed the payroll check register for September 2020, which indicated total payroll of $20,106.20. 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. Clutts reported the following:

A. Fiduciary Liability Policy

A quote was received for renewal of the Fiduciary Liability Policy for the policy period January 1, 2021 to January 1, 2022. The premium for the renewal was $12,010 with a base policy premium of $11,785 and waiver of recourse premiums of $225, representing a total increase of $49 (less than 1%). The quote includes a Renewal Guarantee Endorsement for 2022 and 2023. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve renewal of the fiduciary liability insurance policy for the period of January 1, 2021 to January 1, 2022, at a premium of $12,010 ($11,785 base premium and $225 waiver of recourse premium), with and $2,357 to be paid by the Apprentice and Training Fund and $9,428 to be paid by the Health & Welfare Fund (20/80% split).

B. International Foundation for Employee Benefit Plans ("IFEBP") Membership

The Fund's IFEBP membership renewal invoice was received listing dues for 2021 at $1,265 for the Apprentice & Training Fund and the Health & Welfare Fund. 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 $1,265 with $253 to be paid by the Apprentice and Training Fund and $1,012 to be paid by the Health & Welfare Fund (20/80% split).

C. Workers Compensation Insurance Premium Audit

Ms. Clutts reported that the Workers Compensation Premium Audit performed by The Hartford resulted in an additional premium of $2,911 for the policy period July 1, 2019 to July 1, 2020. Ms. Phillips said that she had reviewed the matter and consulted with the Fund's insurance broker, and it was determined that the additional premium is owed by the Fund. Ms. Clutts said that the additional premium was paid.

D. Form 990

The Fund auditor filed 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.

IX. MEETING DATES AND LOCATION

After discussion, the Trustees selected the following date and location for the next Board meeting:

- February 11, 2021 – 10 a.m. – location to be determined

The remaining 2021 quarterly Board meeting dates were scheduled for:

- May 13, 2021
- August 12, 2021
- November 11, 2021

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: SEI Quarterly Investment Review Third Quarter 2020, November 12, 2020
Exhibit B: Financial Statements for the Plan years ended March 31, 2020 and 2019
Exhibit C: Trustees Report from Fund Counsel, November 12, 2020
Exhibit D: Director's Report, November 12, 2020
Exhibit E: Income and Expense Statement, September 30, 2020