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, FEBRUARY 11, 2021 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
J. Ianniello - Associated Administrators, LLC
D. McCullers - Apprenticeship Director
K. Phillips - Phillips, Richard & Rind, PA
M. Smith - Apprenticeship Director in Training

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 November 12, 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 November 12, 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 Fourth Quarter 2020 dated February 11, 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 December 31, 2020 was $2,186,796. The fiscal year-to-date net return was 9.59% compared to the total index return of 9.48%.

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 47.4% in fixed income, 31.8% in cash and equivalents, and 20.8% in total equity.

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

IV. DIRECTOR'S REPORT

Mr. McCullers announced that he will be retiring as of April 28, 2021. He expressed gratitude to the Board of Trustees for their support of him in his role as Apprenticeship Director over the past ten years. He introduced Mr. Michael Smith, an instructor at the Training Center, who has been working with him at the Training Center for several years.

Mr. McCullers presented the Director's Report dated February 11, 2021, a copy of which is attached to and made a part of these minutes as Exhibit B. He reported the following:

A. Apprentices

Four new apprentices joined the Apprentice Program. Two apprentices were terminated from the Apprentice Program since the last Board meeting. Forty-six apprentices are enrolled in the Apprentice Program. One apprentice is 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. We continue 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, 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 Zoom. They attended the monthly Palm Coast Joint Advisory Council ("PJAC") meeting. Mr. McCullers attended a virtual NCCCO practical examiner refresher workshop on December 17, 2020. Mr. Smith attended and passed the NCCCO practical examiner workshop for the tower crane on January 7 - 8, 2021 in Plant City, Florida. Mr. McCullers is scheduled to attend and teach the NCCCO certification class the week of February 15 – 19, 2021. The Fund will be reimbursed for his salary. Mr. McCullers and Mr. Smith have been making contractor visits for apprentice evaluations and to discuss the apprenticeship program. If approved by the Trustees at the next Board meeting, Mr. Smith would like to attend the 62nd Annual Florida Apprenticeship Conference on July 12 -16, 2021 in Key Largo, Florida.

C. Apprenticeship Classes

NCCCO written preparation classes are currently being conducted. Certification classes are planned for forklift, signaling, and rigging, but classes will not be scheduled until CDC guidelines for COVID-19 are met. Mr. McCullers reported that they are looking into offering some virtual classes online. Apprentices are being asked to register if interested and class dates will be planned when a sufficient number of participants have registered.

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

Mr. McCullers said there is currently no action to report regarding the SBBC.

E. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. The tower crane refabrication has been completed by Morrow Crane and an invoice has been received in the amount of $39,314.25. An itemized invoice has been requested from Morrow Crane. The tower crane was delivered by Maxim Crane on January 12, 2021, and plans are to erect it this month. An illuminated sign for the tower crane has been delivered and will be installed before it is erected. In keeping with a policy of mutual assistance among trade apprentice programs, the Training Center loaned the boom truck and an apprentice to the Pipefitters for their rigging class on January 23, 2021.

Mr. McCullers requested that a semi-truck be purchased for the purpose of evaluating applicants and training apprentices at an amount not to exceed $15,000. Chairman Schaunaman said that it would be in the best interest of the Apprenticeship Program to purchase the semi-truck as there is a need for apprentices to learn and practice safe driving skills. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to purchase a semi-truck at a cost not to exceed $15,000.

F. Training Center

Mr. McCullers reported that six NCCCO practical exams were administered during the fourth quarter of 2020. Fourteen visitors signed the on-site visitor list during the fourth quarter of 2020. The Alpha Certification card printer was upgraded.

He had a meeting with Arcwerks, Inc. on December 9, 2020 to finalize details for the new building, including location of electrical outlets, tile color, flooring, ceiling tiles, paint color, partition walls, and overhead crane.

On February 25, 2021 there will be a virtual tour of the Training Center with Broward County Mayor Steve Geller and various stakeholders involved in Broward County career training. The Trustees will be invited to attend via Zoom.

Mr. McCullers and Mr. Smith continue to progress in working with the civil, mechanical, landscaping, and architectural engineers. The plans have been submitted for a quote to Itasca, the general contractor.

The Trustees thanked Mr. McCullers for his report and for his many years of service to the Fund in the role of Apprenticeship Director at the Training Center. Mr. McCullers and Mr. Smith were excused from the meeting.

Trustee Discussion

Chairman Schaunaman said that Mr. McCullers has been mentoring Mr. Smith for some time regarding the responsibilities involved in the Apprenticeship Director position. He indicated that Mr. Smith would be the best choice to serve as Apprenticeship Director, given that Mr.

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

RESOLVED to hire Mr. Michael Smith for the position of Apprenticeship Director effective April 29, 2021.

Ms. Phillips said that she would prepare an Apprenticeship Director Agreement for Mr. Smith.

V. ATTORNEY'S REPORT

Ms. Phillips distributed a report titled "Trustees Report" dated February 11, 2020, a copy of which is attached to and made a part of these minutes as Exhibit B.

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 reported that demand letters for service fees were sent by the Fund office to HJ Foundation for late payment of its June 2020 contributions totaling $45,383, which were received on August 5, 2020. Ms. Phillips said that, according to the Fund's Collection and Audit Procedures, waivers may only be granted once in a three-year rolling period upon request. HJ Foundation was previously granted a waiver of services fees for its delinquent contributions for April and May 2020.

Ms. Clutts reported that that Fund office received late contributions for November 2020 from eight employers that are not usually late. She said that some contributions have been received a month after the postmark date or bearing no United States Postal Service ("USPS") postmark date, indicating that USPS mail delivery has been unreliable. Ms. Phillips said that the Collection Committee, upon review of this matter, requested that the Trustees consider temporarily suspending the assessment of late fees based on delays in USPS mail delivery related to COVID-19 and the 2020 election cycle. Ms. Phillips said that the Fund's Collection and Audit Procedures allow for current economic conditions to be considered. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to suspend the assessment of late fees for delinquent contributions received retroactive to June 1, 2020 through May 13, 2021, in accordance with the Fund's Collection and Audit Procedures, which allow for consideration to be given to current economic conditions.

Ms. Phillips advised that the suspension be reconsidered at the next Board meeting on May 13, 2021. The Trustees directed the Administrative Manager to send delinquent employers a notification letter informing them when contributions are not received on time with a copy to the Collections Committee.

B. Permit for New Building

Chairman Schaunaman said that the general contractor, Itasca, finalized the new building plan and is submitting it to subcontractors for bids that are expected within about two weeks. It will be necessary to pay $1,750 to Broward County for a deposit to get paperwork ready to begin the permitting process. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to pay $1,750 to Broward County to begin the permitting process required for the new building plan.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Ms. Clutts reviewed the Income and Expense Statement for December 31, 2020, a copy of which is attached to and made a part of these minutes as Exhibit D. She reported total assets for the month of December 31, 2020 were $4,579,722.21 compared to $4,209,231.30 in December 2019. Ms. Clutts presented a Comparative Income Statement for the twelve months ended December 31, 2020. She reported that for the month of December 2020, the Fund had total receipts of $67,554.57 and total expenses of $49,373.79, resulting in a surplus of $18,180.78.

B. Disbursements

Ms. Clutts presented the expense check register for December 2020, which indicated total disbursements of $26,615.23. She reviewed the payroll check register for December 2020, which indicated total payroll of $22,605.22. 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. Union Liability Insurance

A quote was received from the insurance broker for renewal of the Union Liability policy for the period March 1, 2021 to March 1, 2022, in the amount of $5,354, which is $95 more than the expiring policy, primarily due to an increase in Fund assets. Two endorsements to be included in the renewal policy are: 1) Renewal Guarantee Endorsement, which keeps the premium the same at the next renewal as long as certain conditions are met; and 2) Named Insured Endorsement, which covers Political Action Committees and real estate holding companies owned by the Fund, if any. Fund counsel reviewed the renewal policy quote and new endorsements. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve renewal of the Union Liability policy for the period March 1, 2021 to March 1, 2022.

B. Fiduciary Liability Policy

The Fund's fiduciary liability insurance policy was renewed for the policy period January 1, 2021 to January 1, 2022, as previously approved by the Trustees at the November 12. 2020 Board meeting.

D. Form 990

The Fund auditor completed the Form 990, based on audited financial statements for Plan year ended March 31, 2020. After review, and on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the Form 990 and authorized Chairman Schaunaman to sign the Form 990 on behalf of the Board of Trustees.

C. Florida State Sales Tax Exemption

Confirmation of the Fund's Florida State sales tax exemption was received from Broward County, Florida.

D. Survey

Trustee Schaunaman completed a mandatory survey received from the Florida Department of Economic Opportunity and the United States Bureau of Labor Statistics and provided a copy of it to Ms. Clutts for the Fund's records.

VIII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, May 13, 2021 at 9 a.m., via WebEx. The remaining regular Board meetings were scheduled for August 12, 2021, and November 11, 2021.

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: SEI Quarterly Investment Review Fourth Quarter 2020, February 11, 2021
Exhibit B: Director's Report, February 11, 2021
Exhibit C: Trustees Report from Fund Counsel, February 11, 2021
Exhibit D: Income and Expense Statement, December 31, 2020