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, MAY 13, 2021 VIA VIDEOCONFERENCE

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:

N. Durkin - Associated Administrators, LLC
L. DuVall - Associated Administrators, LLC
J. Hart - SEI Global Institutional Group
J. Ianniello - Associated Administrators, LLC
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 February 11, 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 February 11, 2021 as presented.**

The Trustees reviewed the minutes of the special meeting held on April 21, 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 April 21, 2021 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 Investment Fiduciary Management Review for the first quarter 2021 dated May 13, 2021, 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 March 31, 2021 was $2,192,868. The fiscal year-to-date net return was 9.90% compared to the total index return of 7.70%.

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 49.7% in fixed income, 31.9% in cash and equivalents, and 18.4% in total equity.

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

IV. DIRECTOR'S REPORT

Mr. Michael Smith presented the Director's Report dated May 13, 2021, a copy of which is attached to and made a part of these minutes as Exhibit B. He reported the following:

A. Apprentices

Six new apprentices joined the Apprentice Program. Five apprentices were terminated from the Apprentice Program since the last Board meeting. Forty-four 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. 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 attended the monthly United Joint Apprentice Council ("UJAC") and Miami Dade Youth Pre-Apprenticeship Committee ("MDYPA") via Zoom. He also attended the monthly Palm Coast Joint Advisory Council ("PJAC") meeting. Mr. Smith took Broward County Mayor Steven Geller on a virtual tour of the Training site on February 25, 2021. He participated in the Miami Dade Youth Pre-Apprenticeship virtual career week from March 15 – 19, 2021. He met with Sheridan Technical College regarding apprentice recruitment. Mr. Smith and former Director, Mr. Daniel McCullers, attended a meeting on April 21, 2021 to discuss the Training Center's pre-apprenticeship program in heavy equipment.

Mr. Smith plans to offer a third class for the apprenticeship program. The A class will consist of first year apprentices. The B class will consist of second and third year apprentices. The C class will consist of fourth year apprentices.

Mr. Smith will attend the 62nd Annual Florida Apprenticeship Conference on July 11 – 16, 2021. Mr. McCullers proctored the NCCCO practical testing at the International Training and Education Center training facility April 12-16, 2021 in Crosby, Texas. The Fund will be reimbursed for his salary, and all other expenses were paid by the International Registration Training System.

Mr. McCullers and Mr. Smith have been meeting with contractors in order to distribute apprentice evaluations and discuss the apprenticeship program. Mr. Smith scheduled an NCCCO audit to become a Tower Crane Practical Examiner on May 24 – 26, 2021 in Plant City, Florida.

C. Apprenticeship Classes

A virtual forklift certification class was conducted on March 4, 2021. The written test and practical exam was offered on March 6, 2021. There were 40 members and apprentices in attendance. The NCCCO written test was administered on March 14, 2021 at the Union Hall.

Two separate testing group sessions were conducted in order to maintain safe distancing. Fifty-two members and apprentices were seeking certification or recertification. An OSHA 10 certification class was held on April 10 – 11, 2021 at the Union Hall with 29 members in attendance. A virtual signaling certification class will be held on May 13, 2021. The written test and practical exam will be held on May 15, 2021 in person at the Training Center.

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 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. Smith reported that a check was received from the SBBC in the amount of $44,537.90.

E. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. Annual inspections were completed on the Mobile and Tower cranes. The lattice boom crane failed the inspection. Necessary repairs have been completed and a new inspection has been ordered. The 30-ton Grove truck crane, badger gradall, International tractor, and Terex loader have been scrapped through the Excess Property Program and they have been released with certificates of abandonment.

A Kenworth tractor needing a new motor was donated to the Fund by Harrison Crane. A motor was purchased for $3,000, and Sheridan Vocational Technical College ("Sheridan") will install it. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to ratify action taken between Board meetings to accept the Kenworth tractor donation from Harrison Crane and to purchase a motor for it in the amount of $3,000.**

Sheridan will also install a motor that has been purchased for the Manitex Boom truck. A 30-ton Grove rough terrain crane was received from the IUOE District 925 Training Center. It was a government excess equipment transfer. The tower crane has been erected, and practice and testing have resumed. An illuminated sign for the tower crane has been installed. An excavator simulator on loan from the IUOE has been received.

F. Training Center

Mr. Smith reported that fifteen NCCCO practical exams were administered during the first quarter of 2021. Thirty-four visitors signed the on-site visitor list during the first quarter of 2021. The Training Center continues to accommodate journeymen using CDC guidelines for COVID-19.

Mr. Smith, Mr. McCullers, and Chairman Schaunaman met with Mr. Joe Galinis of Itasca Construction Associates, Inc. to discuss bids and permitting on the new building.

Trustee Schaunaman said that Ms. Pam Durant, the secretary at the Training Center, currently participates in the IUOE Local 487 Health & Welfare Fund. He said that Ms. Durant works 30 hours per week, performing important work that is needed at the Training Center. He requested that Trustees consider allowing Ms. Durant to participate in the Central Pension Fund ("CPF"). Ms. Phillips said that in order for her to participate, it will be necessary to submit a Participation Agreement to the CPF, and if approved, the Fund could then begin making contributions and reporting hours worked by Ms. Durant to the CPF. Ms. Phillips said that typically the CPF expects all full-time eligible employees to participate. Discussion ensued regarding whether 30 hours per week is sufficient to be considered full-time. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to submit a Participation Agreement to the Central Pension Fund on behalf of the Secretary, Ms. Pam Durant, to be effective the first full pay period after it is approved by the Central Pension Fund.**

V. ATTORNEY'S REPORT

Ms. Phillips distributed a report titled "Trustees Report" dated May 13, 2021, 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, Laney Directional Drilling Company, Piling Plus, Inc., Keller North America, Inc., and North American Crane & Rigging, LLC.

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 May 13, 2021. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to continue to suspend the assessment of late fees for delinquent contributions received through August 12, 2021, in accordance with the Fund's Collection and Audit Procedures, which allow for consideration to be given to current economic conditions.**

B. Training Center Construction Project

Ms. Phillips reported that, as discussed at the previous Board meeting, the IUOE Local 487 loan agreement has been revised to offer a construction loan to the Fund in the amount of $1,000,000 to be amortized over a 30-year term at a rate of 3.75%. The commencement date of the loan would need to be confirmed after permits are issued. Discussion ensued regarding the option to increase the amount of the loan to $1,500,000. Ms. Phillips said that a modification to the loan agreement could be considered if additional funding is needed. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve a loan in the amount of $1,000,000 amortized over a 30-year term at a rate of 3.75%.**

C. Apprenticeship Director Agreement

Ms. Phillips reported that the Apprenticeship Director Agreement between the Fund and Mr. Smith had been prepared, and she is awaiting receipt of the signed document.

D. International Foundation of Employee Benefit Programs ("IFEBP")

Ms. Phillips suggested that Mr. Smith might benefit from attending one of the IFEBP programs related to Apprentice and Training Programs when it is next offered. After discussion, on

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

> **RESOLVED to approve Mr. Smith's attendance at the IFEBP's Institute for Apprenticeship, Training, and Education Programs.**

Ms. Phillips said that it could be further discussed at the next Board meeting after gathering more information about the IFEBP's program offerings.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for March 31, 2021, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported total assets for the month of March 31, 2021 were $4,727,162.16 compared to $4,329,857.10 in March 2020. Mr. Ianniello presented a Comparative Income Statement for the twelve months ended March 31, 2021. He reported that for the month of March 2021, the Fund had total receipts of $151,388.83 and total expenses of $47,343.77, resulting in a surplus of $104,045.06.

B. Disbursements

Mr. Ianniello presented the expense check register for March 2021, which indicated total disbursements of $20,161.05. He reviewed the payroll check register for March 2021, which indicated total payroll of $23,283.46. 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

Mr. Ianniello reported the following:

A. Form 990

The Fund auditor filed Form 990 with the IRS on February 12, 2021.

B. Zurich American Insurance Company ("Zurich") Refund

A refund of $357 was received from Zurich due to a rating discrepancy that Zurich discovered in its Crime policies.

C. Annual Foreign Bank and Financial Accounts Reporting ("FBAR")

Mr. Hart confirmed that none of the investments in the Fund's portfolio are subject to FBAR filing.

VIII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, August 12, 2021 at 9 a.m. via videoconference. The remaining regular Board meeting was scheduled for 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 Investment Fiduciary Management Review for First Quarter 2021, dated May 13, 2021
Exhibit B: Director's Report, May 13, 2021
Exhibit C: Trustees Report from Fund Counsel, May 13, 2021
Exhibit D: Income and Expense Statement, March 31, 2021