



**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 12, 2021
VIA VIDEOCONFERENCE**

The following Trustees were present:

LABOR TRUSTEES

M. Schaunaman, Chairman
J. Mullen
S. Singer

MANAGEMENT TRUSTEES

J. Turk, Secretary
J. Epperson
M. Harrison
F. Villella

Also present were:

N. Durkin - Associated Administrators, LLC
E. Gallego – Florida International University
J. Hart - SEI Global Institutional Group
J. Herron – Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
K. Phillips - Phillips, Richard & Rind, PA
M. Smith - Apprenticeship Director
V. Tomas – Florida International University

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 13, 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 May 13, 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 second quarter 2021 dated August 12, 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 June 30, 2021 was \$2,230,084. The fiscal year-to-date net return was 1.70% compared to the total index return of 1.68%.

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 49.6% in fixed income, 31.3% in cash and equivalents, and 19.1% 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 August 12, 2021, a copy of which is attached to and made a part of these minutes as Exhibit B. He reported the following:

A. Apprentices

Ten new apprentices joined the Apprentice Program. Seven apprentices were terminated from the Apprentice Program since the last Board meeting. Forty-five 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

Due to the high demand from contractors for apprentices, the Training Center has been advertising on Indeed to recruit applicants. Mr. Smith visited the Miami Lakes Technical

College and Educational Center, Sheridan Technical College, and Robert Morgan Technical College to solicit students interested in the apprenticeship program.

Mr. Smith attended the monthly United Joint Apprentice Council, Miami Dade Youth Pre-Apprenticeship Committee, and Palm Coast Joint Advisory Council via videoconference. Mr. Smith passed the NCCCO audit to become a certified Tower Crane Practical Examiner on May 24-26, 2021, in Plant City, Florida. He participated in a Career Day in Tampa, Florida. He donated his time to speak to teens in the Boys & Girls Club during an Into the Future Workforce Readiness Program in Fort Pierce, Florida. He attended the 62nd Annual Florida Apprenticeship Conference on July 11-16, 2021, as previously approved by the Board of Trustees. Mr. Smith attended the NCCCO Practical Examiner Accreditation workshop for Signalperson and Rigger Level 1. He is now NCCCO certified for Signalperson and Rigger Level 1. Mr. Smith attended the Practical Examiner Accreditation workshop on July 27- 30, 2021 in Hinckley, Minnesota, per approval of the Board of Trustees via electronic poll. Mr. Smith plans to attend the Hoist and Pulley Conference on August 23 -26, 2021 in Houston, Texas, at no cost to the Fund.

Mr. Smith requested permission to purchase a Rigger Practical Exam Test Kit at a cost of \$3,272.50. He explained that the kit would include slings, eyebolts, ropes, rings, shackles, and other useful hardware needed for Rigger Practical Exams. He said that the equipment would be kept under lock and key, and would only be used for NCCCO examinations. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the purchase of a Rigger Practical Exam Test Kit at a cost of \$3,272.50.

Mr. Smith presented a request to the Fund to pay estimated travel expenses totaling \$2,770.80 for him to attend the 67th Annual Employee Benefits Conference on October 17 -20, 2021 in Denver, Colorado, per the Board's decision at the prior meeting to approve his attendance. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve expenses not to exceed \$3,000 for the Apprenticeship Director to attend the 67th Annual Employee Benefits Conference on October 17 -20, 2021 in Denver, Colorado.

Mr. Smith requested that Ms. Pam Durant, secretary at the Training Center be given a pay raise of an additional \$2.00 per hour, increasing her wage rate to \$22.00 per hour. He advised the Board that her last raise was four (4) years ago. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve increasing the Secretary's wage rate to \$22.00 per hour.

C. Apprenticeship Classes

Ten members of the United Association of Pipefitters Local Union 725 qualified for crane signaling on May 13 and May 15, 2021. A virtual signaling preparation certification class was offered on May 13, 2021 and practical exams were held on May 15, 2021 at the Training Center. Rigging certification classes were offered on June 5 and June 19, 2021. Signaling certification classes will be offered on August 19 and August 31, 2021. Rigging certification classes will be offered on September 11 and September 18, 2021.

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

The SBBC requested additional proof of insurance coverage for the SBBC under Professional Liability insurance. We have had and continue to have an endorsement naming the SBBC as an additional insured on the Labor and Management Liability Insurance Policy, which renewed effective March 1, 2021. Ms. Phillips said that copies of the Fund's Fiduciary Liability and Labor and Management Liability policies were provided to the SBBC. She said she will follow up with the SBBC Risk Management division to confirm if the policies provided include the required coverage.

E. Equipment

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. Ball joints were replaced on the front end of the forklift. Sheridan Vocational Technical College ("Sheridan") replaced the motor on the Kenworth Tractor, per approval of the Board of Trustees at the prior meeting. Sheridan will also install a motor that was purchased for the Manitex Boom truck.

As previously requested via an electronic Trustee poll between Board meetings, the Training Center is in need of an overhead crane for installation in accordance with the new building plans. Mr. Smith said that three estimated quotes were presented: 1) Kone Crane for \$57,387.00, 2) Material Handling Systems, Inc. for \$62,050.00 and 3) Hoosier Crane Service Company for \$73,816.07. The electronic poll did not result in a unanimous decision and the matter remains unresolved. Ms. Phillips asked if Trustee Schaunaman or Mr. Smith had a recommendation, after reviewing the cost, conditions, and details in the quotes. Mr. Smith said that he recommends the Kone Cranes estimate. Discussion ensued. Trustee Harrison suggested that another quote be obtained from a company that is solely an installer of overhead cranes, who might be able to offer a more competitive bid. After discussion, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to table the decision to purchase an overhead crane for 30 days, pending receipt of an additional quote from an overhead crane installer, and if a unanimous decision is not reached via an electronic Trustee poll, a majority vote will be acceptable.

F. Training Center

Mr. Smith reported that sixteen NCCCO practical exams were administered during the second quarter of 2021. Forty visitors signed the on-site visitor list during the second quarter of 2021. The training materials continue to be emailed to members with computer access. Members are requesting paper copies as well.

V. ATTORNEY'S REPORT

Ms. Phillips distributed a report titled "Trustees Report" dated August 12, 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., and Keller North America, Inc.

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 August 12, 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 November 11, 2021, in accordance with the Fund's Collection and Audit Procedures, which allow for consideration to be given to current economic conditions.

Trustee Epperson asked if data could be reported at the next Board meeting confirming the postmarked dates and actual received dates of contributions, in order to ascertain if mail delivery continues to be delayed or if it has improved. Mr. Ianniello said that he would provide the data.

B. Payroll Audits

Ms. Phillips provided the following payroll audit status report:

Central Maintenance and Welding, Inc. (Central")

The random audit of Central found that it complied with the Collective Bargaining Agreement for the period July 1, 2017 through June 30, 2019 as it related to fringe benefit contributions requirements.

Morrow Equipment Company, LLC ("Morrow")

A draft random audit of Morrow was received from the Fund auditor, finding that Morrow complied with the Collective Bargaining Agreement for the period July 1, 2017 through June 30, 2019 as it related to fringe benefit contributions requirements. Ms. Phillips said that the final report is pending issuance upon execution of the management representation letter.

Sarens USA, Inc. ("Sarens")

Ms. Phillips reported that the Fund auditor notified her that Sarens had not provided the documentation requested for the audit. A letter dated July 19, 2021 was mailed to Sarens advising that failure to comply with the audit violates the Collective Bargaining Agreement. Ms. Phillips said no response was received from Sarens. Trustee Mullen reported that Sarens finished its project, and he was not aware of any problem related to Sarens paying contributions and reporting hours to the Fund. Ms. Phillips said that she would review the

matter with Trustee Mullen after the meeting and would then notify the Fund auditor of the outcome.

C. Conflict of Interest and Whistleblower Policy – Annual Certification

Ms. Phillips said that she will distribute to the Trustees via email a copy of the Fund's Conflict of Interest and Whistleblower Policy, which will include the annual certification form to be completed and signed by each Trustee. She said that she would be using DocuSign, an application that facilitates the electronic signing of documents.

D. Carnahan Proctor & Cross

Ms. Phillips reported that she had received an invoice from Carnahan Proctor & Cross in the amount of \$1,072.64 related to obtaining government approvals in the permitting process and other allowed reimbursable expenses. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

**RESOLVED to approve payment of the invoice from
Carnahan Proctor & Cross in the amount of \$1,072.64.**

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for June 30, 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 June 30, 2021 were \$4,732,691.68 compared to \$4,373,506.28 in June 2020. He presented a Comparative Income Statement for the twelve months ended June 30, 2021. He reported that for the month of June 2021, the Fund had total receipts of \$63,727.89 and total expenses of \$51,788.85, resulting in a surplus of \$11,939.04.

B. Disbursements

Mr. Ianniello presented the expense check register for June 2021, which indicated total disbursements of \$37,764.85. He reviewed the payroll check register for June 2021, which indicated total payroll of \$17,913.31. 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. NCCCO Examiner's Workshop

An electronic poll taken between Board meetings unanimously approved expenses not to exceed \$2,400 for Mr. Smith to attend the NCCCO Examiner's Workshop on July 28 – July 30, 2021 in Hinckley, Minnesota. On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to ratify action taken between Board meetings to approve expenses not to exceed \$2,400 for Mr. Smith to attend the NCCCO Examiner's Workshop on July 28 – July 30, 2021 in Hinckley, Minnesota.

B. Apprenticeship Agreement

An Apprenticeship Agreement effective June 15, 2021 between the School Board of Broward County and the Fund was signed between Board meetings.

C. Non-Bargaining Participation Agreement ("Participation Agreement")

A Participation Agreement effective July 1, 2021 between the Central Pension Fund and the Fund was signed between Board meetings, adding the job classification Office Manager/Administrative Assistant to the Agreement.

D. Notification to Insurance Carriers

The Fund's Fiduciary Liability, Labor and Management Liability, and Crime Policy carriers were notified that Mr. Michael Smith replaced Daniel McCullers as Apprenticeship Director at the Training Center.

VIII. New Business

Chairman Schaunaman said that he was contacted by two representatives from the Florida International University, Moss School of Construction, Infrastructure, and Sustainability. They requested that the Fund consider sponsorship of its Construction Trades Certificate Program. He said that they were available to join the videoconference to present information about the program and answer questions.

Ms. Victoria Tomas, Project Manager, and Ms. Emily Gallego, Program Coordinator, joined the video conference. Ms. Tomas presented an overview of the Construction Trades Certificate Program (Program"), a copy of which is attached to and made a part of these minutes as Exhibit E. She said that the Program is registered with the Florida Department of Education as a Certificate Program. Certifications are currently available in electrical work, carpentry, plumbing, sprinkler fitting, and construction craft. There are plans for a Heavy Equipment Level 1 Certification program, which would include an orientation to the trade, safety, heavy equipment identification, basic operational techniques, use of utility tractors, and an introduction to earth moving. Sponsorship of the Program is required by the State of Florida in order to offer Heavy Equipment Level 1 Certification. She said that sponsorship would not include a financial commitment on behalf of the Fund, but the Fund as a sponsor would provide a path for Heavy Equipment certificate holders to apply for an apprenticeship position. Ms. Tomas offered to provide more detailed information regarding sponsorship of the Program. Chairman Schaunaman asked her to provide it to him and he will seek Fund counsel's review and advice.

Chairman Schaunaman thanked Ms. Tomas and Ms. Gallego and excused them from the meeting.

IX. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled for Thursday, November 11, 2021 at 9 a.m. via videoconference.

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: SEI Investment Fiduciary Management Review for First Quarter 2021,
August 12, 2021
- Exhibit B: Director's Report, August 12, 2021
- Exhibit C: Trustees Report from Fund Counsel, August 12 2021
- Exhibit D: Income and Expense Statement, June 30, 2021
- Exhibit E: Construction Trades Certificate Program, Florida International University