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 9, 2023 VIA VIDEOCONFERENCE

The following Trustees were present:

LABOR TRUSTEES	MANAGEMENT TRUSTEES
M. Schaunaman, Chairman	J. Turk, Secretary-Treasurer
J. Mullen	S. Alfele
S. Singer	J. Epperson
W. Utreras	D. Short

Also present were:

J. Bucha – SEI
T. Dubose – Legacy Wealth Financial
J. Finlayson – Evershore Financial Group
J. Herron - Associated Administrators, LLC
J. Ianniello - Associated Administrators, LLC
K. Phillips - Phillips, Richard & Rind, PA
S. Pollaci – Evershore Financial Group
M. Smith - Apprenticeship Director
S. Zborowski – Evershore Financial Group

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 10, 2022, 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 10, 2022, as presented.**

III. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Mr. Jacob Bucha from SEI Global Institutional Group ("SEI") to the meeting.

A. Performance Report

Mr. Bucha discussed SEI's Investment Fiduciary Management Review for the fourth quarter of 2022, dated February 9, 2023, 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, 2022, was $2,092,268. The fiscal year-to-date net return was negative 6.89% compared to the total index return of 3.02%.

B. Asset Allocation

Mr. Bucha reviewed the Fund's current asset allocation, noting that all allocations are within the Fund's revised investment policy target ranges. Current allocation targets are 43.1% in fixed income, 34% in cash and equivalents, 5.6% Multi-Asset Return Fund and 17.3% in total equity.

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

C. Replacing Investment Consultant

Fund Counsel sent a Request for Proposal ("RFP") to replace the current Investment Manager, SEI. Ms. Phillips received two responses and said that Legacy Wealth Management and Evershore Financial Group representatives were present to answer any questions the Trustees may have.

Legacy Wealth Management

The Trustees welcomed Mr. Tony Dubose from Legacy Wealth Management to the meeting.

Mr. Dubose presented the services available from Legacy Wealth Management to the Trustees. In addition, Mr. Dubose reviewed the current portfolio and suggested moving funds from SEI Institutional to SEI's Private Wealth Services.
The Trustees thanked Mr. Dubose for his report and excused him from the meeting.

Evershore Financial Group

The Trustees welcomed Mr. Steven Zborowski, Mr. Scott Pollaci, and Mr. Jeffrey Finlayson from Evershore Financial Group to the meeting.

Mr. Zborowski presented the services available from Evershore Financial Group to the Trustees. In addition, Mr. Zborowski reviewed the current portfolio and suggested moving funds from SEI Institutional to SEI's Private Wealth Services.

The Trustees thanked Mr. Zborowski, Mr. Pollaci, and Mr. Finlayson for his report and excused him from the meeting.

Trustee Decision

After Discussion on Motion made and seconded, the Trustees voted unanimous approval of the following solution:

> **RESOLVED to replace SEI with Legacy Wealth Management as the Investment Manager.**

IV. DIRECTOR'S REPORT

Mr. Michael Smith presented the Director's Report dated February 9, 2023, a copy of which is attached to and made a part of these minutes as Exhibit B. He reported the following:

A. Apprentices

Twelve new apprentices joined the Apprenticeship Program. Since the last Board meeting, three graduated and three apprentices were terminated from the Apprenticeship Program. One Hundred apprentices are enrolled in the Apprentice Program. The Apprenticeship Program has returned fully to in-person classes at the training site.

B. <u>Upgrading the Apprenticeship Program</u>

Mr. Smith reported that there were twenty applications for the Apprenticeship Program. Due to the high demand from contractors needing apprentices, advertising is done on Indeed and Google. Mr. Smith continues to visit with contractors to discuss the apprenticeship training program and the apprentices.

Mr. Smith and Trustee Utreras put together a recorded, step-by-step instructional tower crane video on how to turn on the crane. There is a QR code that the members can watch on their phones before operating. The Miami-Dade firefighters came to the training site on November 29, 2022, to do their annual training drills using the tower crane. Mr. Smith participated in the job fair for Park Vista Career Fair on December 1, 2022. Mr. Smith went to the Stuart Community Adult High School on December 7, 2022, to talk with the students. Mr. Smith participated in the Olympic Heights Job Fair. Mr. Smith attended the CDL Advisory meeting at Sheridan Technical on December 15, 2022. Mr. Smith attended the International Foundation of Employee Benefit Plans conference for the Institute for Apprenticeship Training and Education Program in San Juan, Puerto Rico, on January 23 – January 25, 2023, previously approved by the Board of Trustees. Mr. Smith continues to attend the PCJAC and UJAC meetings. He will send copies of the documents from those meetings to Associated Administrators LLC as requested.

C. <u>Apprenticeship Classes</u>

An OSHA 10 Class was held at the Union Hall in Miami on November 5 & 6, 2022, and 37 apprentices attended. Mr. Smith held a Rigging/Signaling class on November 19, 2022, and December 3, 2022, at Sim's Crane in Fort Myers, and 14 apprentices attended both dates. The Backhoe Trench & Safety class was held on January 7, 2023, and 11 apprentices attended. Mr. Smith held a Signaling class for Sim's Crane in Miami on January 21, 2023, and 13 apprentices attended. A Rigging class was held on February 4, 2023. The Rigging practical will be held on February 18, 2023. An OSHA 10 class will be held on March 4th & 5th, 2023. A signaling class will be held on March 18, 2023, a forklift class will be held on April 15, 2023, and a rigging class will be held on May 6, 2023.

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

A $75,602.80 check was received from the School Board.

E. **Equipment**

Batteries, hoses, and hydraulic cylinder packing kits continue to be the most frequent repairs on equipment. The Champion 715 Grader was sold for $3,000.00.

F. **Training Center**

Mr. Smith reported that NCCCO written prep classes would be held on February 11th & 12th, and 77 apprentices will be attending. Seventeen NCCCO practical exams have been given during the fourth quarter (9 passed / 4 failed / 1 Self disqualified, and 3 no results). There were fifty-seven people signed in on the on-site visitors log this quarter. Florida Concrete Strong still has not paid, which is an ongoing matter. The new building construction has begun. Mr. Smith uses a drone to take pictures of the weekly progress.

V. **ATTORNEY'S REPORT**

Ms. Phillips distributed the "Trustees Report" dated February 9, 2023, a copy of which is attached to and made a part of these minutes as Exhibit C.

A. **Delinquency and Collections**

Ms. Phillips said that Zeiger Crane Rental requested a waiver of service fees for the late payment of its December 2022 contributions. Ms. Phillips said that after reviewing the Fund's records and the applicable collection policy, Zeiger Crane Rental does not qualify for the waiver of late fees, as a waiver had been previously granted for the period of March 2020, and waivers can only be granted once in a three-year rolling period.

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

> **RESOLVED to deny the waiver of service fees for the late payment of December 2022 contributions.**

B. **Payroll Audits**

Ms. Phillips provided the following payroll audit status report as provided by the Bellows firm:

Sims Crane & Equipment – In Progress

Laney Directional Drilling – In Progress

PreCon Construction – In Progress

Williams Specialty Service – In Progress

Zeiger Crane Rental – In progress

Ms. Phillips discussed the collection procedures requiring the Fund to audit all employers within five years. Currently, the Fund has roughly 45 employers, which would require nine payroll audits a year. Each payroll audit is expensive, and to have to do nine a year would be cost-prohibitive. Further, there are internal processes which allow for monitoring of contributions from employers on a routine basis. Therefore, Ms. Phillips recommends modifying the collection procedures to remove the requirement for all employers needing to be audited within five years.

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

> **RESOLVED to amend the collection procedures to do at most five annual audits.**

C. CONFLICT OF INTEREST FORMS

Ms. Phillips reported that the Conflict of Interest Policy forms must be sent to all Trustees for 2023 to acknowledge that the trustee continue to have no conflict precluding their ability to act as fiduciaries on this Fund.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Income and Expense Statement

Mr. Ianniello reviewed the Income and Expense Statement for December 31, 2022, a copy of which is attached to and made a part of these minutes as Exhibit D. He reported that total assets on December 31, 2022, were $5,498,635.81 compared to $4,875,782.76 in December 2021. He also presented a Comparative Income Statement for the twelve months ending December 31, 2022. He reported that in December 2022, the Fund had total receipts of $51,064.56 and total expenses of $48,358.83, resulting in a $2,705.73 surplus.

B. Disbursements

Mr. Ianniello presented the expense check register for December 2022, which indicated total disbursements of $258,310.67, and he reviewed the payroll check register for December 2022, which showed total payroll of $28,007.57.

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 filed timely.

B. Union Liability Insurance Renewal

A quote in the amount of $4,480.36 was received for the renewal of the Union Liability Policy from March 1, 2023, to March 1, 2024.

> **RESOLVED to approve the renewal of the Union Liability Policy for the period of March 1, 2023, to March 1, 2024.**

C. New Truck Purchase

Chairman Schaunaman stated that the Apprenticeship School would need a new truck in the near future.

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

> **RESOLVED, to authorize the purchase of a new truck, with financing option approved with an email vote after receiving the quote.**

VIII. MEETING DATES AND LOCATION

The next quarterly Board meeting was scheduled via videoconference for Thursday, May 11, 2023, at 9 a.m.

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 Fourth Quarter 2022, February 9, 2023
Exhibit B: Director’s Report, February 9, 2023
Exhibit C: Trustees Report from Fund Counsel, February 9, 2023
Exhibit D: Income and Expense Statement, December 31, 2022