Operating Engineers Local No. 77
Apprenticeship and Skill
Improvement Fund

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MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
OPERATING ENGINEERS SKILL IMPROVEMENT &
JOINT APPRENTICESHIP TRAINING COMMITTEE
TUESDAY, MAY 9, 2023

The following Trustees were present:

EMPLOYER TRUSTEES	UNION TRUSTEES
C. Burke	J. VanDyke
B. Mazzella	R. Dennison
J. Knowles	S. Faulkner
	W. Lofty

Also present were:

W. Chambers – Associated Administrators, LLC
C. Fuller – McChesney & Dale, P.C.
B. Gilroy – Training Coordinator
R. McKnight – Associated Administrators, LLC
D. Melloh – Investment Performance Services

I. CALL TO ORDER

The Chairman called the meeting to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on February 14, 2022 and,

On a motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED that the minutes of the last regular meeting held on February 14, 2022 are approved as presented.

III. FINANCIAL REPORT

Vanguard Statement

Mr. McKnight reviewed the account summary detail report for The Vanguard Group. Such report indicated that the total value as of March 31, 2023 was $597,591.35 compared to the total value of $555,969.34 as of December 31, 2022. This was based on 1,576.467 shares owned at a price of $379.07 per share on March 31, 2023 compared to 1,570.047 shares owned at a price of $354.11 per share on December 31, 2023. The year-to-date income dividends reinvested were $2,338.11.

Quarterly Comparison Report

Mr. McKnight reviewed the Quarterly Comparison Report. Total revenue for the first quarter 2023 was $419,208.99 compared to the first quarter 2022, which were $259,482.96. First quarter expenses for 2023 were $270,427.38 compared to the first quarter of 2022, which were $331,465.59. Total liquid assets for the first quarter of 2023 were $3,088,474.51.

Investment Consultant's Report

Mr. Dan Melloh of Investment Performance Services (IPS) was welcomed to the meeting. Mr. Melloh reviewed the asset allocation policy history, which reflected the expected return and risk since 2019. He reviewed the current policy comparison which reflected the current portfolio as well as various portfolios with adjusted allocations. He recommended changing the current policy to portfolio C which has a reduction to 10% in large cap equity and an increase to 40% in fixed income and 35% in short duration high yield; cash would remain at 15%. He stated the expected risk would remain similar at 5.08% but would lower the expected risk from 4.82 to 3.91.

On a motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to approve the recommendation of IPS to change the asset allocation policy to portfolio C which reflects an allocation of 10% to US large cap equity, 40% to intermediate

fixed income, 35% to short duration high yield, and 15% to cash.

IV. ATTORNEY'S REPORT

Mr. Fuller reported on the Alcohol and Substance Abuse Policy. He stated the current policy does not provide a timeframe for the completion of alcohol or substance abuse rehabilitation. He recommended amending the policy to reflect a 60 timeframe to respond to the Training Coordinator that treatment has been completed.

On a motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to amend the Alcohol and Substance Abuse Policy to reflect a 60-day timeframe to complete a required rehabilitation program.

V. ADMINISTRATIVE MANAGER'S REPORT

Gain/Loss Report

Mr. McKnight presented the Administrative Manager's Report for the period January 1, 2023 through March 31, 2023. Such report indicated total contributions for the period of $342,283, training class reimbursement of $0, liquidated damages income of $439, interest income of $16,271, dividends on investments in the PNC account of $2,338, a gain on investments of $57,590, interest on delinquent contributions of $287, miscellaneous income of $0, producing a total income of $419,209. The total expenses equaled $270,427, producing a net gain for the period of $148,782.

On a motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to accept the Administrative Manager's Report as presented.

VI. TRAINING COORDINATOR REPORT

Mr. Gilroy provided an update on the completed projects and approval for additional purchases.

Recent/current/scheduled classes

- NCCCO – Study classes for CCO written exams are being held monthly.
- CCO written exam scheduled for August 12, 2023.
- Crane 101 classes will commence on May 13th, 20th, 17th, and 24th of 2023.
- Crane 101 books were approved between meetings for $1,360.

Apprentices

- 7 new applicants were dispatched for work and set to start the first year in 2023/2024 class.
- 1 was sent a dismissal letter as he abandoned the job. No show/ no call
- Taking applications on May 11th and 12th.

Building and Equipment

- Tower Crane: Hoist frequency drive is bad. Training Coordinator emailed for approval to order the part for $6902.03 without shipping. Additional repairs were quoted by UCR at $17,500 and Extreme for $8,150 with a pending quote expected from Clark.
- Boom Truck: Telescoping cylinder needs repacked. Parts were removed and sent for repair.
- CAT EL240: took out of service- repair costs were more than machine is worth. An instructor wanted to buy it. Scrap prices $3,000 to $5,000. Used machines in excellent condition sold for $20,000 to $30,000. After discussion, the Training Coordinator decided to sell for $3,000.
- NTF Conference: The Training Coordinator is requesting to send Jason to a conference from August 22-24, 2023.
- Teaching Techniques I class: A training class is schedule from September 21-25, 2023, and the Training Coordinator is requesting to send Paula and pay her salary during the week in training.
- Plumbing repair: An emergency repair was required between meetings that was approved by the Trustees for $8,560.

- Electrician work: The kitchen requires electrical work and the Training Coordinator is requesting to use Kelly Electric for the quoted price of $2,400.

On a motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the Training Coordinators report for all required services and repairs as reported.**

VII. <u>OTHER BUSINESS</u>

Mr. McKnight stated the Administrative Services Contract between Associated Administrators, LLC and the Operating Engineers Local No. 77 Apprenticeship & Skill Improvement Fund expires on July 31, 2023. Mr. McKnight respectfully asked the Trustees to consider a three-year contract with a 3% increase each year. He stated the new contract would be effective August 1, 2023 through July 31, 2026.

On a motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the three-year contract extension with Associated Administrators effective August 1, 2023 through July 31, 2026.**

VIII. <u>NEXT MEETING DATE</u>

After discussion, the Trustees selected August 8, 2023, and November 14, 2023 as the next meeting date, beginning at 9:00 a.m. and will be held at the Landover Office of Associated Administrators, LLC immediately preceding the Pension meeting.

IX. <u>ADJOURNMENT</u>

There being no further business to come before the Board of Trustees at this time, the meeting was adjourned.

Respectfully submitted,

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Joshua VanDyke - Chairman