

<p>Meeting Date: September 17, 2015</p>	<p>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</p> <p>FINANCE COMMITTEE MEETING MINUTES</p>	<p>Page 1 of 4</p>
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Committee members present

John Schneider, Chairman and Commissioner
 Captain George H. Livingstone, Commissioner
 Mike Jacob, PMSA Vice President-General Counsel
 Ray Paetzold, San Francisco Bar Pilots Business Director-General Counsel

Staff present

Allen Garfinkle, Executive Director
 Roma Cristia-Plant, Assistant Director
 Kelly Dolcini, Staff Services Analyst
 Sigrid Hjelle, Office Technician

Open Meeting

1. Call to Order and Roll Call.

Chairman Schneider called the meeting to order at 9:30 a.m., and confirmed a quorum.

2. Approval of minutes of Committee meeting of June 8, 2015.

MOTION: Mr. Jacob moved to approve the minutes from the June 8, 2015, meeting with amended to reflect Capt. Livingstone’s participation. Mr. Paetzold seconded the motion.

VOTE: YES: Schneider, Jacob, Livingstone and Paetzold

NO: None.

ASBTAIN: None

ACTION: The motion was approved.

3. Review Board fund condition, revenue and expenditure projections and monthly data for all pilotage fees and vessel moves and their effect on:

Assistant Director Cristia-Plant reviewed the Board Operations and Training fund conditions and the 2015-2016 budget. She also presented and discussed the 2014-2015 historical and projected 2015-2016 monthly data for the Board Operations Surcharge, Pilot Trainee Training Program Surcharge and Pilot Continuing Education Surcharge.

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- a) **Board Operations Surcharge (currently 1.0%). Possible recommendation to the Board to adjust the Board Operations Surcharge rate, if warranted. (Executive Director Garfinkle/Assistant Director Cristia-Plant)**

The Committee reviewed the Board Operations Surcharge and the 2014-2015 ending year Board Operations fund condition. It was noted that there is only approximately \$6,000 surplus in the 2014-2015 budget. Executive Director Garfinkle and Assistant Director Cristia-Plant stated that the Governor’s proposed 2016-2017 budget has already been drafted and will be released on or about January 10, 2016, and that the next opportunity to make amendments to the 2016-2017 budget would be through a Spring Finance Letter.

The Committee discussed efforts over the past two years to lower the Board Operations Fund balance. The current surcharge is set at 1% of all pilotage rates, and given the projections prepared by Assistant Director Cristia-Plant, the Board Operations fund balance during the fiscal year 2015-2016, is expected to be reduced by approximately \$1 million by June 30, 2016 at the current rate.

Executive Director Garfinkle reminded the Committee that the Department of Finance would need to approve any reductions in the Board Operations Surcharge, and that the next Committee meeting should probably be in November to give the Department of Finance sufficient time to review and approve any Board-approved surcharge increases or reductions scheduled to take effect on January 1, 2016. The Committee instructed staff to request information from the Department of Finance on fund reserve target balances in preparation for the next Finance Committee meeting.

MOTION: Mr. Paetzold moved to recommend to the Board that it maintain the Board Operations Surcharge at 1%. Mr. Jacob seconded the motion.

VOTE: YES: Schneider, Jacob, Livingstone and Paetzold
NO: None
ASBTAIN: None

ACTION: The motion was approved.

- b) **Pilot Continuing Education Surcharge (currently \$5/move. Possible recommendation to the Board to adjust the Pilot Continuing Education Surcharge rate, if warranted. (Executive Director Garfinkle/Assistant Director Cristia-Plant)**

The Committee reviewed and discussed the Pilot Continuing Education Surcharge and determined that it should remain at \$5/move.

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MOTION: Mr. Paetzold moved to recommend to the Board that it maintain the Pilot Continuing Education Surcharge at \$5/move. Mr. Jacob seconded the motion.

VOTE: YES: Schneider, Jacob, Livingstone and Paetzold

NO: None

ASBTAIN: None

ACTION: The motion was approved.

c) Trainee Training Surcharge (currently \$10/trainee/move. Possible recommendation to the Board to adjust the Trainee Training Surcharge rate, if warranted. (Executive Director Garfinkle/Assistant Director Cristia-Plant)

The Committee reviewed and discussed the Trainee Training Surcharge and determined that it should remain at \$10/trainee/move. Commissioner Long advised the Committee that the Pilot Power Committee has forecasted the need to hold a Pilot Training Program entrance exam to bring on additional trainees to keep up with Pilot retirements. He expressed a concern that there is not enough budgetary authority in the Training budget component and that maybe staff should pursue a Spring Finance Letter to increase the 2016-2017 budget for this purpose.

MOTION: Mr. Paetzold moved to recommend to the Board that it maintain the Trainee Training Surcharge remain at \$10/trainee/move. Mr. Jacob seconded the motion.

VOTE: YES: Schneider, Jacob, Livingstone and Paetzold

NO: None

ASBTAIN: None

ACTION: The motion was approved.

4. Review current Pilot Vessel Surcharge rate (currently at 3.27 mills -- \$.00327) revenue, expenditures and reserve balance. Possible recommendation to the Board to adjust the Pilot Vessel Surcharge rate, if warranted. (Rae Paetzold, San Francisco Bar Pilots Business Manager/General Counsel)

Mr. Paetzold reported to the Committee about the outstanding Loan on the P/V DRAKE, which is still being paid off at a rate of about \$88,000 per month, that the loan should be fully paid in two to three years, and that there remains approximately two months of loan payments in reserve (approximately \$176,000). He recommended to the Committee not to change the Pilot Vessel Surcharge at this time.

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MOTION: Mr. Paetzold moved to recommend to the Board that it maintain the Pilot Vessel Surcharge at 3.27 mills. Commissioner Livingstone seconded the motion.

VOTE: YES: Schneider, Jacob, Livingstone and Paetzold
NO: None
ASBTAIN: None

ACTION: The motion was approved.

5. Public comment on matters not on the agenda.

There were no comments.

6. Proposals for additions to next meeting agenda.

There were no proposals for additions to the next meeting's agenda. The Committee tentatively scheduled the next meeting on November 16, 2015, at 9:30 a.m.

7. Adjournment.

Chairman Schneider adjourned the Committee at 10:35 a.m.

Submitted by: Executive Director Garfinkle