

<p>Meeting Date: November 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
Mike Jacob, PMSA Vice President-General Counsel
Ray Paetzold, San Francisco Bar Pilots Business Director-General Counsel

Committee members absent:

Captain George H. Livingstone, Commissioner

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 1:05 p.m. Staff Services Analyst Dolcini called the roll and confirmed a quorum.

2. Approval of minutes of Committee meeting of September 17, 2015.

Mr. Paetzold requested a correction to the minutes to reflect that agenda item 4 motion should reflect the mill rate at 3.27 mills.

MOTION: Mr. Jacob moved to approve the minutes from the September 17, 2015, meeting with an amendment to correct the agenda item 4 motion to reflect the Pilot Vessel Surcharge rate at 3.27 mills. Mr. Paetzold seconded the motion.

VOTE: YES: Schneider, Jacob 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 funds condition and the expenditures for each fund. She reported that the Department of Finance increased the final 2015-2016 budget slightly to pay for final approved health care and pension costs. She also reported that staff is in discussion with the Department of Finance and California State

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Transportation Agency regarding fiscal concerns about the Governor's proposed Board's budget for fiscal year 2016/17.

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 noted that the plan to reduce the fund balance over time had worked faster than expected. There was a general discussion that a fund balance equivalent to one year of budgetary authority would be a good target to achieve. Committee member discussed raising the Board Operations Surcharge rate to reduce the rate in the decline of the fund balance, and to do so while minimizing the number of rate changes to allow the industry to do long-term financial planning. After discussion, the Committee determined that increasing the Board Operations Surcharge rate from 1% to 2% would be sufficient in the near term to continue the reduction in the fund balance at an acceptable rate of decline. The Committee acknowledged that the surcharge rate likely will need to be increased again in the future to cover Board operations costs once the outstanding fund balance is reduced further.

MOTION: Mr. Jacob moved that the Committee recommend to the Board that it raise the Board Operations Surcharge rate from 1% to 2% effective January 1, 2016, and to seek the Department of Finance's approval of the rate increase as required by statute. Mr. Paetzold seconded the motion.

VOTE: YES: Schneider, Jacob 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. Jacob moved the Committee recommend to the Board to maintain the Pilot Continuing Education Surcharge at \$5/move. Mr. Paetzold seconded the motion.

VOTE: YES: Schneider, Jacob 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.

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

VOTE: YES: Schneider, Jacob 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. (Ray Paetzold, San Francisco Bar Pilots Business Manager/General Counsel)

Mr. Paetzold reported to the Committee the status of the mill rate and bank loan repayments on the P/V DRAKE. He stated that there is enough Pilot Vessel Surcharge revenues in reserve to pay approximately two to three months of bank loan payments, and that there is about a \$2 million loan balance. He stated that the current mill rate is generating sufficient revenues to maintain the desired 2 months of loan payments in reserve, and recommended to the Committee not to change the Pilot Vessel Surcharge rate at this time.

MOTION: Mr. Jacob moved to recommend to the Board that it maintain the Pilot Vessel Surcharge at 3.27 mills -- \$.00327. Mr. Paetzold seconded the motion.

VOTE: YES: Schneider, Jacob and Paetzold

NO: None

ASBTAIN: None

ACTION: The motion was approved.

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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 agenda for the next meeting. The Committee scheduled to meet again 9:30 a.m. on March 15, 2016.

7. Adjournment.

There being no further business before the Committee, Chairman Schneider called for a motion to adjourn.

MOTION: Mr. Paetzold moved to adjourn. Mr. Jacob seconded the motion.

VOTE: YES: Schneider, Jacob and Paetzold

NO: None

ASBTAIN: None

ACTION: The motion was approved, and the meeting adjourned at 2:00 p.m.



Allen Garfinkle, Executive Director