

Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun

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FINANCE COMMITTEE MINUTES February 25, 2013 9:30 A.M.

The Board of Pilot Commissioners Finance Committee met on February 25, 2013 at 9:30 a.m. at the Board office, 660 Davis Street, San Francisco. Chairman Mike Miller presided with Pacific Merchant Shipping Association (PMSA) Vice President Mike Jacob and San Francisco Bar Pilots (SFBP) Business Director John Cinderey were also present. California Highway Patrol (CHP) Assistant Chief Terri Anderson, Executive Director Allen Garfinkle, Staff Services Analyst Kelly Dolcini and Office Technician Sigrid Hjelle.

Open Meeting

1. Call to Order and Roll Call

Chairman Cronin called the meeting to order at 9:30 a.m. PMSA Vice President Mike Jacob and SFBP Business Director John Cinderey were present, constituting a quorum.

2. Approval of minutes of Committee meeting of November 13, 2012

Chairman Cronin requested approval of the minutes of the November 13, 2012 meeting with authority for Board staff to make clerical non-substantive changes. Mike Jacob made a motion to approve the minutes and John Cinderey seconded the motion which passed unanimously on a voice vote.

3. Determine the number of licensed bar pilots anticipated on April 1, 2013 and prepare a report to the Board and possible recommendation for adjustment to pilotage rates for the calendar quarter beginning on that date as specified in Harbors and Navigation Code section 1190(a)(1). [Note that while retirements prior to April 1, 2013 are known, the number of new pilots who might be licensed on or prior to that date is not known. The recommendation to the Board may need to reflect several different possibilities, allowing the Board to authorize that which reflects the anticipated number of licensees as of the date of possible Board action.]

As of February 21, 2013 there are 59 licensed Bar Pilots. Based on the SFBP audited annual income for 2011, it is projected that the mill rate will be adjusted from .09107 to .09181. There was discussion on the issue of whether there will be 59 or 60 pilots on April 1, 2013. If there are 59 pilots, then the mill rate calculation will be decreased by one half

of the annual audited income for 2012. If there are 60 then there is no decrease to the calculation. John Cinderey stated that he believed the annual audited income amount should be available prior to April 1, 2013. John Cinderey moved that the Committee recommend to the Board that the mill rate be decreased by one half of the pilots annual audited income for 2012 if the number of pilots is 59 on April 1, 2013, and have no decrease if the number of pilots is 60 on April 1, 2013. Mike Jacob seconded the motion, which passed unanimously on a voice vote.

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

- a) **Board operations surcharge (currently 1.0%) – develop possible recommendation to Board to adjust rates if necessary.**

The Committee reviewed this item and no action was taken.

- b) **Pilot Continuing Education Surcharge (currently \$105/move) – develop possible recommendation to Board to adjust rates if warranted.**

The Committee reviewed this item and chose to make no change.

- c) **Trainee Training Surcharge (currently \$15/trainee/move) – develop possible recommendation to board to adjust rate if warranted.**

The Committee reviewed this item and no action was taken.

After discussing the surcharges above, Board operations, trainee training, and pilot continuing education, Mike Jacob moved to have all three remain at the same level. John Cinderey seconded the motion which pass unanimously on a voice vote.

5. Review current Pilot Vessel Surcharge rate (currently at 3.27 mills -- \$.00327) revenue, expenditures and reserve balance. Develop possible recommendation to the Board for Pilot Vessel Surcharge rate adjustment, if warranted.

John Cinderey reported that the balance on the First Republic loan for the P/V Drake is approximately \$4.4m currently, but is being paid down on track with SFBP income. He moved that no change be made to the Pilot Vessel Surcharge. Mike Jacob seconded the motion, which passed unanimously on a voice vote.

6. Public comment on matters not on the agenda

There were no comments.

7. Proposals for additions to next month's agenda

Committee members would like to look closely at the continuing education surcharge and contracts and determine if funding is appropriate to needs.

8. Adjournment

The Committee Adjourned at 10:22

Respectfully submitted,

Kelly Dolcini,
Staff Services Analyst