

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

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FINANCE MINUTES March 23, 2015 1:30 P.M.

Committee members present

John Schneider, Chairman
Mike Jacob
Ray Paetzold

Absent:
Capt. George Livingstone

Staff present

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

Public present

Telephonically: Ron Simonian and Rob Boragno of Shea, Labagh, Dobberstein, CPA Inc.

Open Meeting

1. Call to Order and Roll Call.

Chairman Schneider called the meeting to order at 1:00 p.m.

2. Approval of minutes of Committee meeting of December 4, 2014.

MOTION: Mr. Paetzold moved to approve the minutes from the December 4, 2014, meeting with clerical, non-substantive changes. Mr. Jacob seconded the motion.

VOTE: Yes: Schneider, Paetzold and Jacob. No: None. Abstain: None.

ACTION: The motion was approved.

6. Review of San Francisco Bar Pilots (SFBP) and San Francisco Bar Pilots Benevolent and Protective Association Consolidating Financial Statements for the Year Ended December 31, 2014 (with comparative consolidated amounts for 2013)

The Committee first discussed item number 6. In support of a more transparent way of showing the cost of providing pilotage, Mr. Paetzold arranged for representatives of CPA firm Shea, Labagh, Dobberstein, which audits the finances of the SFBP to join the meeting telephonically and go over the financial statements.

Mr. Simonian explained that Shea, Labagh, Dobberstein provides independent auditing services to the SFBP. They did not produce any reports, only audited those of the SFBP, which they compiled into a clean, unmodified opinion. Mr Simonian and Mr. Boragno then explained each document contained in the report for the Committee.

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

Ms. Cristia-Plant presented the Committee with a report on the status of the Board's fund condition, as prepared by the California Highway Patrol's (CHP) accounting staff. She explained the contents of the report and the Board's current contracting budget. The cost of the fatigue study is not included in the fund condition reports, nor is it included in the Governor's proposed budget.

a) Board Operations Surcharge (currently 1.0%) – develop possible recommendation to Board to adjust rates if necessary.

The Committee reviewed and discussed the Board Operations Surcharge and fund condition, and determined that no change to this surcharge was necessary at this time. Surcharges received by the Board recently have been lower than in past years due to the ILWU/PMA disagreement. Mr. Paetzold reported that the union issue is being resolved and traffic and surcharges should return to normal in the coming months. They are monitoring the situation closely.

MOTION: Mr Jacob moved to make no change to the Board Operations Surcharge. Mr. Paetzold seconded the motion

VOTE: Yes: Schneider, Paetzold and Jacob. No: None. Abstain: None.

ACTION: The motion was approved.

b) Pilot Continuing Education Surcharge (currently \$25/move) – develop possible recommendation to Board to adjust rates if warranted.

The Committee reviewed and discussed the Continuing Education Surcharge and elected leave the Continuing Education Surcharge at \$10/move.

MOTION: Mr. Jacob moved to maintain the Continuing Education Surcharge at \$10/move. Mr. Paetzold seconded the motion.

VOTE: Yes: Schneider, Paetzold and Jacob. No: None. Abstain: None.

ACTION: The motion was approved.

c) Trainee Training Surcharge (currently \$35/trainee/move) – develop possible recommendation to board to adjust rate if warranted.

The Committee reviewed and discussed the Trainee Training Surcharge and number of trainees in or entering the program and elected to keep the surcharge at \$10/trainee/move.

MOTION: Mr Jacob moved to keep the Pilot Continuing Education Surcharge at \$10/trainee/move. Mr. Paetzold seconded the motion.

VOTE: Yes: Schneider, Paetzold and Jacob. No: None. Abstain: None.

ACTION: The motion was approved.

4. 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.

Mr. Paetzold reported that there are about two months of payments in reserve and that the Pilot Vessel Surcharge should remain where it is.

MOTION: Mr. Jacob moved that there be no change to the Pilot Vessel Surcharge rate. Mr. Paetzold seconded the motion.

VOTE: Yes: Schneider, Paetzold and Jacob. No: None. Abstain: None.

ACTION: The motion was approved.

5. Review and discuss Pilot Fitness Committee fatigue study proposals and choice of research institution recommendation for the a Pilot Fatigue Study.

Mr. Garfinkle reported that the Pilot Fitness Committee had voted at its meeting to recommend that the Board contract with San Jose State University Research Foundation. He welcomed Knute Michael Miller, Chairman of the Pilot Fitness Committee to speak about the progress of the project so far.

Mr. Miller reported to the Committee that, after nearly three years, many journal articles, and many discussions with fatigue experts and researchers, the Committee had received proposals from three entities: San Jose State Research Foundation, Washington State University, and University of California at San Francisco (UCSF). After considering all three proposals, the Committee voted 4-0 to contract with San Jose State Research Foundation. Dr. Robert Kosnik recused himself from the discussion due to his employment by UCSF. Mr. Miller stated that the contracting process will be an administrative challenge. The committee considered the budget and will pursue negotiation and cost-saving where available.

Mr. Garfinkle anticipates the study going into the next fiscal year due to budgetary and contracting constraints. The Committee discussed the possibility of a Budget Change Proposal or a Spring Finance Letter seeking additional funds to cover the study.

Mr. Schneider thanked Mr. Miller and all who were involved for their work on reviewing the materials and proposals.

6. Proposals for additions to next meeting agenda.

There were no proposals for additions to the next meeting's agenda. The Finance Committee will meet again on June 4, 2015 at 9:30 a.m.

7. Adjournment.

The Committee Adjourned at 2:20 p.m.

Respectfully submitted,

Kelly Dolcini,
Staff Services Analyst