

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

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June 23, 2010

**June 17, 2010
FINANCE COMMITTEE MEETING
MINUTES
10:00 A.M.**

The Board of Pilot Commissioners (Board) Finance Committee met on June 17, 2010, at 10:10 a.m. at the Board of Pilot Commissioners Office, Pier 9, Suite 102, San Francisco, CA. Commissioner Osen presided, with Committee members Commissioner Wainwright, San Francisco Bar Pilot's (SFBP) Controllor Julie Yasuda, and Pacific Merchant Shipping Association (PMSA) Vice President Michael Jacob present. A quorum was established. Members of the public present included SFBP Business Director John Cinderey and Executive Director Allen Garfinkle.

Agenda:

1. Review/approve minutes of the May 20, 2010 meeting.

After review of the minutes for the May meeting the motion was made and seconded to accept the minutes as read. It passed by unanimous voice vote.

2. Review the monthly financial receipts on all surcharge collections from the San Francisco Bar Pilots – Julie Yasuda

Ms. Yasuda of the San Francisco Bar Pilots presented a Summary Cash Report for the month of May 2010 showing that the SFBP received \$3,748,000.00 in receipts for the month of May, continuing a slight upward trend in revenue collections.

3. Review BOPC Fund Condition, revenue and expenditure projections and monthly data for total Pilotage fees and vessel moves and their effect on:

(a) Board Operations Surcharge (currently 6.6%).

No change recommended.

(b) Pilot Training Surcharge (currently \$45/move).

No change recommended.

(c) Trainee Training Surcharge (currently \$9/trainee/move) - develop possible recommendations to Board to adjust rates if warranted.

No change recommended.

(d) NavTech surcharge (currently\$32/move) - develop possible recommendations to Board to adjust rates if warranted.

In regard to the Navigation Technology surcharge, the committee heard a presentation by Ms. Yasuda. As dictated by statute, the SFBP has only one year to collect a surcharge for a repayment for the purchase of portable pilot units. As the year end is approaching, the SFBP has been able to see that the current surcharge of \$32 per move is insufficient to reach the targeted amount of collection needed. Ms. Yasuda presented the committee with a proposed increase of the surcharge to \$40 per move and after discussion the committee voted unanimously to recommend to the Board to adopt a new surcharge rate.

4. Review current pilot vessel surcharge rate (currently at 8.44 mils), revenue, expenditures and reserve balance. Review presentation from SFBP on pilot vessel debt situation. Develop possible recommendation to the Board for pilot vessel surcharge rate adjustment if warranted.

The Committee reviewed the current pilot vessel surcharge. Currently the surcharge is set at 0.00844. The Committee heard a presentation by Ms. Yasuda stating that the current monthly mortgage payment for the pilot vessels is \$212,800. In the past the Committee has agreed that the fund should keep a reserve of two months of mortgage payments in the account. Currently the surplus is set at \$300,000. In an effort to meet the targeted reserve of roughly \$435,000 the Committee decided to recommend to the Board that the surcharge be raised to 0.01097.

5. Review SFBP adjusted Mil rate and make recommendations to the Board.

Following some discussion it was moved, seconded and approved by unanimous voice vote to accept the audited net income and change in the mil rate

6. Items for next meeting agenda.

President Miller has suggested that the Committee place an item on the agenda for all future meetings that will take a long term view at projected costs the Board can plan and adjust for.

7. Adjournment

A motion was made and seconded to adjourn. Motion passed unanimously and meeting was adjourned at 11:20 a.m.

Respectfully submitted,



Allen Garfinkle
Executive Director