

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

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E-mail: brian.vu@bopc.ca.govWebsite: www.bopc.ca.gov**FINANCE COMMITTEE****June 15, 2011****MINUTES****10:00 A.M.**

The Board of Pilot Commissioners Finance Committee met on June 15, 2011, at 10:00 a.m. at the Board of Pilot Commissioners office, 660 Davis Street, San Francisco, California. In attendance were Committee members Commissioner John Cronin, Commissioner David Wainwright, Pacific Merchant Shipping Association (PMSA) Vice President Michael Jacob and San Francisco Bar Pilot's (SFBP) Business Director John Cinderey. Members of the public present were the California Highway Patrol Assistant Chief Terri Anderson, Executive Director Allen Garfinkle, Staff Services Analyst Brian Vu, and Office Technician Kelly Dolcini.

Open Session:**1. Call to Order and Roll Call.**

Commissioner Cronin called the meeting to order at 10:03 a.m. All members were present constituting a quorum.

2. Approval of the minutes from the May 23, 2011 meeting.

Commissioner Cronin requested approval of the minutes of the May 23, 2011 meeting. PMSA Vice-President Jacob made a motion to accept the minutes as presented. Commissioner Wainwright seconded the motion which passed unanimously on a voice vote.

3. Review the monthly financial receipts on all surcharge collections from the San Francisco Bar Pilots (SFBP). Review the SFBP Summary Cash Report prepared by SFBP staff to be transmitted to Board staff when surcharges are remitted to the Board. Review the worksheet to be used by Board staff to compare actual cash collections with the check remitting those moneys.

The Summary Cash report for the month of April showed that the SFBP received \$4,713,565.49 in receipts for the month of May. Total Gross Pilotage totaled \$3,386,888.59. Pilot Boat Surcharges totaled \$291,682.46. Pilot Commission charge totaled 223,471.93. Pilot Training Surcharges totaled \$80,745.00.

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 6.6%) – Re-assert recommendation Board voted on at May 23, 2011 Finance Committee meeting to adjust rate to 2.4%. Possible discussion to re-evaluate amount of surcharge reduction. Recommendation to Board to request action on this item from the Department of Finance.**

Executive Director Garfinkle reported as per the previous meeting's recommendation, it will be on the June agenda where the Finance Committee would make its formal recommendation to the Board. He also stated that attempts at having Business Transportation and Housing intervene in the process with Department of Finance (DOF) to approve the recommended rate change were not successful as of this date.

Commissioner Cronin stated that in the previous meeting, the Committee broached the idea of having Deputy Attorney General Judith Loach (who was involved with the COSCO BUSAN litigation) write a letter to assure the DOF that any remaining litigation expenses would be minimal. He inquired if staff followed up with that request. Executive Director Garfinkle reported that Deputy Attorney General Loach has made calls and e-mails to contacts at DOF; however, as of this meeting no dialogue has taken place.

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

Executive Director Garfinkle reported that the Board was still in a deficit condition with regard to Continuing Education funds, however, since the change was implemented in February 2011 to the present, there has been a healthy increase in revenue. There was still a projected ending fund balance in the red due to the straight line rolling projections, but if the June trend continues, there should be an adequate balance at the end of the fiscal year.

- c) Trainee Training Surcharge (currently \$11/trainee/move) – develop possible recommendation to Board to adjust rates if warranted.**

Executive Director Garfinkle reported that the Board would be advancing a trainee to pilot this month. As a result, the draw on the fund should decrease incrementally.

PMSA Vice-President Jacob recommended that Board staff should advise trainees about a possible delay in their stipends due to the uncertainty of the budget process.

5. Review current Pilot Vessel Surcharge (currently at .00945 mils), revenue, expenditures and reserve balance. Develop possible recommendation to the Board for Pilot Vessel Surcharge rate adjustment if warranted.

SFBP Business Director Cinderey reported that a one time pre-payment of \$350,000 has been made on the P/V DRAKE's First Republic Bank mortgage. Once the Caterpillar Finance

(CAT) loans are paid off, adjustments can be made to the surcharge. He stated that the CAT loans would be paid off in September and SFBP would be down to one pilot boat mortgage.

6. Determine the number of licensed bar pilots anticipated on July 1, 2011 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 July 1, 2011 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 will be to authorize that which reflects the anticipated number of licensees as of the date of possible Board action.]

Business Director Cinderey stated that SFBP would not have over 59 pilots in July.

Executive Director Garfinkle stated that one trainee is expected to be made a pilot in June, however the number of pilots would still be under 59.

PMSA Vice-President Jacob moved that with the number of licensed bar pilots remaining unchanged, no action was needed. Commissioner Cronin seconded the motion which passed unanimously on a voice vote.

7. Review of Pilot Evaluation Committee proposal to require fees for application and exam for the pilot training program applicant list. Possible recommendation to Board to have Rules and Regulations Committee commence the regulation process to institute these changes.

PMSA Vice-President stated that the Board does not have legislative authority to charge exam fees as of yet and recommended the Committee keep this item on the agenda where it would be discussed at a later date. Commissioner Wainwright agreed and recommended that the information with comparable authorities be forwarded to the PEC.

8. Public comments on matters not on the agenda.

There were none.

9. Proposals for additions to next months' agenda.

Executive Director Garfinkle asked Commissioner Cronin who he wanted to designate to deliver the Finance Report at June's Board meeting in his absence. Commissioner Cronin designated Commissioner Wainwright.

SFBP Business Director Cinderey inquired as to what standard items will the Committee go over the meeting. In addition, he what is the appropriate time frame in between successive meetings.

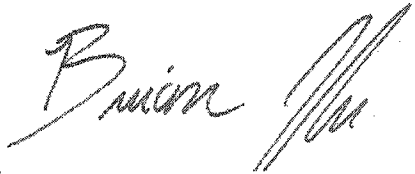
PMSA Vice-President responded that in past, the time frame interval was quarterly. However, with an influx of pressing financial decisions such as lowering surcharges and rates, Committee meetings were held more frequently. Now that many pressing issues have been resolved, the Committee can meet less frequently.

The next Committee meeting will be September 19, 2011 at 10:00 a.m.

11. Adjournment.

A motion was made and seconded to adjourn. The motion passed unanimously and meeting was adjourned at 11:06.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Brian Vu", with a stylized flourish at the end.

Brian Vu
Staff Services Analyst