

<p>Meeting Date: December 05, 2017</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 5</p>
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Committee Members Present:

David Hoppes, Committee Chair, Commissioner
Mike Jacob, Vice President-General Counsel, Pacific Merchant Shipping Association (PMSA)
Captain Einar Nyborg, Commissioner
Ray Paetzold, Business Director-General Counsel, San Francisco Bar Pilots (SFBP)

Committee Members Absent:

None

Staff Present

Allen Garfinkle, Executive Director
Roma Cristia-Plant, Assistant Director
Luis Cruz, Staff Services Analyst

Public Present

None.

OPEN METING

1. Call to Order and Roll Call. (Chairman Hoppes)

Chairman Hoppes called the meeting to order at 9:32 a.m. Staff Services Analyst Cruz called the roll and confirmed a quorum.

2. Approval of the minutes from the Committee meeting held on September 26, 2017. (Chairman Hoppes)

Committee members were presented with the draft minutes from the Committee meeting held on September 26, 2017. There were no edits or further discussion.

MOTION: Mr. Paetzold moved to approve the minutes from the meeting held on September 26, 2017. Mr. Jacob seconded the motion.

VOTE: YES: Hoppes, Jacob, Nyborg, and Paetzold.

NO: 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 provided a thorough review of the following for the Committee:

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- The Board’s fiscal year-to-date statement of fund condition and forecast assumptions for the as of October 31, 2017, including the current fiscal year budget, projected revenues and expenditures, and contract encumbrances for the Board Operations, Pilot Continuing Education and Pilot Trainee Training funds.
- The historical and projected data for the Board Operations Surcharge, the Continuing Education Surcharge, and Trainee Training Surcharge.

Assistant Director Cristia-Plant explained for Chairman Hoppes that the Board approved to maintain a one-year fund balance reserve for the Board Operations, Pilot Continuing Education and Pilot Trainee Training funds, to ensure sufficient cash on hand and to prevent frequent fluctuation in the surcharge rates.

There ensued a discussion of the trainee stipend amount. Executive Director Garfinkle commented that the Board is competing with other pilotage commissions for an ever decreasing pool of eligible mariners wishing to become port pilots. He stated that the Board’s current trainee regulations do not include any age requirement, but do require certain experience requirements by setting a minimum term to hold certain types of Federal licenses. Commissioners Hoppes and Nyborg commented that the Committee may wish to research increasing the trainee stipend to ensure attracting a sufficient number of qualified, eligible candidates to the Pilot Trainee Training Program.

a) Review Board Operations Surcharge rate (currently at 3.0%), and the revenues, expenditures and reserve balance. Recommendation to the Board to adjust the Board Operations Surcharge rate, if warranted. (Executive Director Garfinkle/Assistant Director Cristia-Plant)

The Committee reviewed and discussed the Board Operations Surcharge and determined that it should remain at the current rate.

MOTION: Mr. Jacob moved that the Committee recommend to the Board to maintain the Board Operations Surcharge rate at 3% of all pilotage fees.

Commissioner Nyborg seconded the motion.

VOTE: YES: Hoppes, Jacob, Nyborg, and Paetzold.

NO: None.

ACTION: The motion was approved.

b) Review Pilot Continuing Education Surcharge rate (currently at \$5/move), and the revenues, expenditures and reserve balance. Recommendation to the Board to adjust the Pilot Continuing Education Surcharge rate, if warranted. (Executive Director Garfinkle/Assistant Director Cristia-Plant)

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The Committee reviewed and discussed the Pilot Continuing Education Surcharge and determined that it should remain at the same rate.

MOTION: Mr. Jacob moved that the Committee recommend to the Board to maintain the Pilot Continuing Education Surcharge rate at \$5/move. Mr. Paetzold seconded the motion.

VOTE: YES: Hoppes, Jacob, Nyborg, and Paetzold.
NO: None.

ACTION: The motion was approved.

c) Review Trainee Training Surcharge rate (currently at \$20/trainee/move), and the revenues, expenditures and reserve balance. 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 rate and determined that it should remain at the same rate.

MOTION: Mr. Jacob moved that the Committee recommend to the Board that it maintain the Trainee Training Surcharge rate at \$20/trainee/move. Mr. Paetzold seconded the motion.

VOTE: YES: Hoppes, Jacob, Nyborg, and Paetzold.
NO: None.

ACTION: The motion was approved.

4. Review of Navigation Technology Surcharge rate (currently at \$40/move), and the revenues, expenditures and reserve balance. Recommendation to the Board to adjust the Navigation Technology Surcharge rate, if warranted. (Ray Paetzold, San Francisco Bar Pilots Business Manager—General Counsel)

Mr. Paetzold reported the following:

- The Navigation Technology Surcharge rate became effective July 1, 2017, and was set by the Board at \$40/move.
- The amount billed under the Navigation Technology Surcharge from July 1, 2017, through October 31, 2017 was \$119,920.
- The amount borrowed on the SFBP line of credit used to purchase the Board-approved navigation technology was \$826,218, and interest and loan fees paid to the bank through November 30, 2017, totaled \$20,077.
- The Navigation Technology Surcharge funds used to reimburse the SFBP for line of credit interest payments and loans fees through November 30, 2017, was \$20,001.

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- The Navigation Technology reserve balance held in a money market account was approximately \$99,000 as of November 30, 2017.
- The SFBP projects to collect approximately \$28,000/month based upon \$40/month and an average of 700 moves/month.
- The SFBP projects total expenditures through April 2018 of approximately \$110,500 (without paying down principal on the line of credit, which is not expected to become a long term loan until July 1, 2018) as follows:
 - Approximately \$3,000/month line of credit interest expenses (with the prime rate currently at 4.25%).
 - Approximately \$28,000 for 56 new Rosepoint software licenses, which includes annual technical support and available software upgrades.
 - Approximately \$ 23,500 for annual software license fees for the precision docking system equipment due in March 2018, which amount may vary due to fluctuations in the Euro rate.
 - Approximately \$44,000 for California Use Tax for the Trelleborg hardware, due April 2018.

He recommended that the Navigation Technology Surcharge rate remain unchanged at \$40/move. He also stated that the SFBP intends to seek authorization to use Navigation Technology Surcharge monies to reimburse itself for actual expenditures made between now and the next Committee meeting. There was no further discussion by the Committee members.

MOTION: Mr. Jacob moved that the Committee recommend to the Board that it maintain the Navigation Technology rate at \$40/move. Commissioner Nyborg seconded the motion.

VOTE: YES: Hoppes, Jacob, Nyborg, and Paetzold.
NO: None.

ACTION: The motion was approved.

5. Public comment on matters not on the agenda.

There were no comments from the public.

6. Schedule the next Committee meeting, and proposals for the next Committee meeting agenda.

The Committee agreed to work with Board Staff to schedule the next Committee meeting in March 2018.

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Chairman Hoppes requested that the Committee analyze the SFBP pilotage metrics to create dashboard metrics to review at each meeting, and to consider analyzing the trainee stipend amount.

7. Adjournment.

There was no further discussion by the Committee.

MOTION: Mr. Paetzold moved to adjourn the meeting. Commissioner Nyborg seconded the motion.

VOTE: YES: Jacob, Nyborg, and Paetzold.
NO: None.

ACTION: The motion was approved and the meeting adjourned at 10:35 a.m.

Submitted by:



Allen Garfinkle, Executive Director