

<p>Meeting Date: September 11, 2019</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 4</p>
--	---	---------------------------

Committee Members Present:

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

Committee Members Absent:

None

Staff Present

Allen Garfinkle, Executive Director
 Roma Cristia-Plant, Assistant Director
 Luis Cruz, Associate Governmental Program Analyst
 Alethea Wong, Administrative Assistant II

Public:

Captain Gregory Tylawsky, SFBP

OPEN MEETING

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

Committee Chair Hoppes called the meeting to order at 9:30 a.m. Administrative Assistant II Wong called the roll and confirmed a quorum.

2. Approval of the minutes from the Committee meeting held on June 20, 2019. (Chairman Hoppes)

There was no discussion or edits to the minutes.

MOTION: Mr. Paetzold moved to approve the draft minutes from the meeting held on June 20, 2019. Commissioner Nyborg seconded the motion.

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

NO: None.

ABSTAIN: 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 Board-approved surcharges.

The Committee thoroughly discussed the following fiscal data:

- The 2018-2019 fiscal year-end fund condition statement, budget analysis, and statements of revenues, contract expenditures and trainee stipend analysis.

<p>Meeting Date: September 11, 2019</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 2 of 4</p>
--	---	---------------------------

- The Governor’s fiscal year 2019-2020 enacted budget, and a pending budget increase request of \$100,000 for the trainee budget to pay for a contract related to the next trainee training exam.
 - Historical and projected data for the Board Operations, the Continuing Education, and Trainee Training Surcharges.
 - The possibility of impacts to surcharge revenues related to vessel traffic slowdowns as tariffs take effect.
- a) Review Board Operations Surcharge rate (currently at 2.75%), 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 rate and agreed to recommend to the Board to maintain the current rate.

MOTION: Mr. Jacob moved that the Committee recommend to the Board to maintain the Board Operations Surcharge rate at 2.75% of all pilotage fees. Mr. Paetzold seconded the motion.

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

ACTION: The motion was approved.

- b) Review Pilot Continuing Education Surcharge rate (currently at \$35/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)**

The Committee reviewed and discussed the Pilot Continuing Education Surcharge rate and agreed to recommend to the Board to maintain the current rate.

MOTION: Mr. Paetzold moved that the Committee recommend to the Board to maintain the Pilot Continuing Education Surcharge rate at \$35/move. Mr. Jacob seconded the motion.

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

ACTION: The motion was approved.

- c) Review Trainee Training Surcharge rate (currently at \$10/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)**

<p>Meeting Date: September 11, 2019</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 3 of 4</p>
---	---	---------------------------

The Committee reviewed and discussed the Trainee Training Surcharge rate and agreed to recommend to the Board to maintain the current rate.

MOTION: Mr. Paetzold moved that the Committee recommend to the Board to maintain the Trainee Training Surcharge rate at \$10/trainee/move. Mr. Jacob seconded the motion.

VOTE: YES: Hoppes, Jacob, Nyborg, and Paetzold.
NO: None.
ABSTAIN: 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 at that time.
- The navigation technology loan interest payments made from July 1, 2019, to September 1, 2019, totaled \$5,340.13.
- Loan principal payments made from July 1, 2019 to September 1, 2019, totaled \$72,621.78.
- Total loan payments made from July 1, 2019 to September 1, 2019, totaled \$77,961.91.
- As of September 1, 2019, the navigation technology loan balance was \$361,523.28.
- The prime interest rate on the navigation technology loan is 5.25%, that the amortization schedule will vary with the prime rate and any further reductions of principal, and that it is too early to determine if the total interest owed on the loan will exceed the amount that was previously authorized by the Board.
- The projected monthly navigation technology surcharge revenue with the rate \$40/move based on 725 moves/month is approximately \$29,000.00 per month.
- Debt service is expected to be approximately \$25,000 per month until the second quarter of 2020.
- He recommended maintaining the Navigation Technology Surcharge rate at \$40/move, to be reviewed again in the fourth quarter of 2019.

<p>Meeting Date: September 11, 2019</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 4 of 4</p>
---	---	---------------------------

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

VOTE: YES: Hoppes, Jacob, Nyborg, and Paetzold.
NO: None.
ABSTAIN: 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 tentatively agreed to meet again on December 11, 2019, at 9:30 a.m. There were no proposals for the next Committee meeting agenda.

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: Hoppes, Nyborg, Jacob, and Paetzold.
NO: None.
ABSTAIN: None.

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

Submitted by:



Allen Garfinkle, Executive Director