

<p><b>Meeting Date:</b>  <b>December 2, 2020</b></p>	<p><b>Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun 660 Davis Street, San Francisco, CA 94111</b></p> <p><b>FINANCE COMMITTEE MEETING MINUTES</b></p>	<p><b>Page 1 of 5</b></p>
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**The meeting was a virtual meeting, and all participants attended via Webex**

**Committee Members Present:**

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

**Committee Members Absent:**

None.

**Staff Present**

Allen Garfinkle, Executive Director  
 Roma Cristia-Plant, Assistant Director  
 Alethea Wong, Administrative Assistant II

**Public:**

Jordan Kral and Nick Cohmanschi, California Department of Transportation.

**OPEN MEETING**

**1. Call to Order and Roll Call. (Chair 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 August 20, 2020. (Chair Hoppes)**

The Committee members were presented with the draft minutes from the meeting held on August 20, 2020. There was no discussion.

**MOTION:** Commissioner Nyborg moved to approve the draft minutes of the meeting held on August 20, 2020. Mr. Jacob seconded the motion.

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

**ACTION:** The motion was approved.

**3. Public comment on matters on the agenda or not on the agenda.**

There were no public comments.

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**4. 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.**

Assistant Director Cristia-Plant briefly reviewed the 2019-20 fiscal year end fund condition statements as of June 30, 2020, for the Board Operations, Pilot Continuing Education, and Pilot Trainee Training funds, the adopted budget and itemized budget for fiscal year 2020-21 (FY 2020-21), and financial statements for FY 2020-21 as of September 30, 2021. She noted that staff's analysis of the various surcharge projections for FY 2020-21 were based upon actual-to-date and a projected 15% reduction over the same months in 2019 from November 2020 through June 2021.

**a) Review Board Operations Surcharge rate (currently at 4.5% of all pilotage fees), 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)**

Assistant Director Cristia-Plant reviewed staff's projections of the Board Operations Surcharge for FY 2020-21, and noted that the current 4.5% of all pilotage fees appears to be sufficient. Chair Hoppes agreed with staff's analysis that no rate change is warranted at this time. Captain McIntyre stated that 2019 year-to-date GRT numbers are down further than 15% though, and that the future is uncertain.

**MOTION:** Mr. Jacob moved that the Committee recommend to the Board to maintain the Board Operations Surcharge rate at 4.5% of all pilotage fees.

Commissioner Nyborg seconded the motion.

**VOTE:** YES: Hoppes, Jacob, McIntyre, and Nyborg.

NO: None.

ABSTAIN: None.

**ACTION:** The motion was approved.

**b) Review Pilot Continuing Education Surcharge rate (currently at \$40/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)**

Mr. Jacob discussed that with declining ship movements and the expressed desire of the Committee to gradually increase the Continuing Education Surcharge rate to a rate to fully fund the program, he suggested increasing the Pilot Continuing Education Surcharge rate by \$5. Chair Hoppes noted that the projected fund balance with a 15% reduction in projected movements is anticipated to achieve a fund balance that equals at least one year of budgeted expenses. Commissioner Nyborg commented that although there will be increased need for manned model training to catch up on pilots who missed

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training earlier this year, he expects that with retirements that it is likely that the pilot training budget will be similar this and next year.

**MOTION:** Mr. Jacob moved that the Committee recommend to the Board to increase the Pilot Continuing Education Surcharge rate from \$40/move to \$45/move effective January 1, 2021. Commissioner Nyborg seconded the motion.

**VOTE:** YES: Hoppes, Jacob, McIntyre, and Nyborg.  
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)**

There was a general discussion of the FY 2020-21 budget and the next fiscal year's budget given that there will be a trainee selection exam next fiscal year, and if a budget change proposal the Board submitted is successful, there could be up to 10 trainees in the training program next fiscal year, with both a selection exam and 10 trainees putting pressures on ensuring there is a sufficient fund balance on hand. Mr. Jacob stated that he agreed with staff's recommendation to increase the surcharge rate by \$5/move given the decreasing vessel move environment were are in now.

**MOTION:** Mr. Jacob moved that the Committee recommend to the Board to increase the Trainee Training Surcharge rate from \$10/trainee/move to \$15/trainee/move, effective January 1, 2021. Commissioner Nyborg seconded the motion.

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

**ACTION:** The motion was approved.

**5. Review of the current status of the Navigation Technology Surcharge (currently at \$90/move), and the revenues, expenditures and reserve balance. (Captain McIntyre, San Francisco Bar Pilots Business Manager)**

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6. **Review and discussion of a request from the San Francisco Bar Pilots for the San Francisco Bar Pilots Benevolent and Protective Association’s recovery of Navigation Technology expenditures in 2020 for hardware and software license fees in an amount not to exceed \$178,172 as authorized by Board action on June 22, 2017, and consistent with the Board actions on June 27, 2019 and July 23, 2020. Possible Committee approval of the San Francisco Bar Pilots’ request for the San Francisco Bar Pilots Benevolent and Protective Association’s to recover an amount not to exceed \$178,172 in Navigation Technology expenditures for hardware and software license fees as authorized by Board action on June 22, 2017, and consistent with Board actions on June 27, 2019, and June 23, 2020. (Captain McIntyre, San Francisco Bar Pilots Business Manager)**

The above two agenda items were discussed together.

Captain McIntyre gave a report on the status of the Navigation Technology Surcharge billings and the final costs of the navigation technology purchases. She stated that on November 20, 2020, the SFBP completed billing of the Navigation Technology Surcharge for a total amount billed of \$1,197,480, which was \$2,520 short of the \$1.2 million that was authorized by the Board. She stated that collection of the billed surcharge is anticipated to continue through the first quarter of 2021.

Captain McIntyre stated the total amount of the navigation technology purchases was \$1,213,963, and that the SFBP is requesting the Committee approve the use of \$170,650 of Navigation Technology Surcharge revenues to reimburse the San Francisco Bar Pilots Benevolent and Protective Association. She noted that there was \$291 in extra interest costs not previously approved by the Board. Captain McCloy reviewed the final total costs for the navigation technology hardware and software that were approved by the Board earlier this year. Commissioner Nyborg commented that he is using the new equipment and software, and commented that the increased amount of information being provided to the pilots from the new equipment will significantly aid the pilots.

**MOTION:** Mr. Jacob moved that the Committee, as authorized by Board action on June 22, 2017, and consistent with the Board actions on June 27, 2019 and July 23, 2020, approve the San Francisco Bar Pilots’ request for the San Francisco Bar Pilots Benevolent and Protective Association to recover \$170,650 from Navigation Technology Surcharge funds, which includes an additional \$291 in bank interest expense not previously approved by the Board, with the final total of Board approved eligible Navigation Technology costs that can be reimbursed from Navigation Technology Surcharge funds of \$1,197,480. Commissioner Nyborg seconded the motion.

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

**ACTION:** The motion was approved

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**7. Public comment on matters not on the agenda.**

There was no public comment.

**8. Schedule the next Committee meeting, and proposals for the next Committee meeting agenda.**

Commissioner Hoppes stated that his term on the Board ends at the end of this month, unless he can stay on for a couple of more months until the Governor appoints his replacement, and left it up to the remaining Committee members to schedule the next meeting. The meeting participants thanked Chair Hoppes for his work as Committee Chair. The Committee agreed that the Committee will next meet at 9:30 a.m. on March 2, 2021.

**9. Adjournment.**

Chair Hoppes adjourned the meeting at 10:30 a.m.

Submitted by:



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Allen Garfinkle  
Executive Director