



September 15, 2023

BOPC RECEIVED
9-18-2023

Captain Allen Garfinkle
Executive Director
Board of Pilot Commissioners for the Bays
San Francisco, CA 94111

Dear Captain Garfinkle:

Finance has received your letter dated August 22, 2023, requesting approval to increase the current Board Operations Surcharge from 6 percent to 6.5 percent, effective October 1, 2023.

Section 1159.2 of the Harbors and Navigation Code requires the Board of Pilot Commissioners to review its ongoing and anticipated expenditures on a quarterly basis and to adjust the Operations Surcharge accordingly. In addition, this statute requires approval of the Department of Finance for any surcharge amount that is less than 7.5 percent of all pilotage fees charged by pilots.

The Finance Committee voted on August 15, 2023, to approve an increase to the Board Operations Surcharge from the current 6 percent to 6.5 percent, effective October 1, 2023. The increase in the surcharge is intended to maintain a Board Operations fund balance reserve of approximately one year of expenditures. The anticipated Board Operations Surcharge fund balance at the end of fiscal year 2022-23 is anticipated to be \$2.2 million.

Expenditures in fiscal year 2023-24 are anticipated to be \$3.2 million for the Board Operations Surcharge. With the surcharge set at 6.5 percent, the Board estimates 2023-24 revenue will be \$2.6 million and the fund balance at the end of 2023-24 will be \$1.6 million, which is consistent with the Board's goal of maintaining a prudent fund reserve. Finance recognizes that the IT modernization project planning being done in Fiscal Years 2023-24 and 2024-25 will result in the need for additional funding in the out years to implement to the project and the Board is planning and preparing for those costs.

Based on the information provided above, the Department of Finance approves the Board's request to increase its Board Operations Surcharge to 6.5 percent, effective October 1, 2023.

If you have any questions or need additional information, please contact Teresa Calvert, Program Budget Manager, at [REDACTED].

Sincerely,

[REDACTED]

TERESA CALVERT
Program Budget Manager

cc: Allen Garfinkle, Board of Pilot Commissioners for the Bays of San Francisco,
San Pablo, and Suisun, Executive Director
Matthew Millspaugh, Board of Pilot Commissioners for the Bays of San Francisco,
San Pablo, and Suisun, Assistant Director
Toks Omishakin, Secretary, California State Transportation Agency
Mark Tollefson, Undersecretary, California State Transportation Agency
Carlos Quant, Deputy Secretary, Budget and Administration, California State
Transportation Agency
Sean Duryee, Commissioner, California Highway Patrol
Catrina Jones, Commander, Fiscal Management Section, California Highway
Patrol
Michelle Fojas, Budget Supervisor, Budget and Disbursements, California Highway
Patrol

<https://cadof.sharepoint.com/sites/EnergyTransportationHousingLocalGovernmentandLaborETHLL/Shared Documents/Dept Prog Files/2670 BOPC/Board Operations Surcharge/2670 Board Surcharge Increase 9.2023 - Final.docx>