

<p>Meeting Date: September 16, 2025</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 6</p>
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ATTENDANCE

Committee Members Present via Webex:

Sam Rodriguez, Committee Chair
Mike Jacob, President, Pacific Merchant Shipping Association (PMSA)
Captain Anne McIntyre, Business Director, San Francisco Bar Pilots (SFBP)

Committee Members Absent:

None.

Staff Present via Webex:

Allen Garfinkle, Executive Director
Matthew Millspaugh, Assistant Director
Alethea Wong, Licensing and Training Programs Manager
Mari McNeill, Board Administrative Coordinator
Greg Shepherd, Records Management and Program Support Coordinator
Roma Cristia-Plant, Consultant to the Board

Public Via Webex:

Captain William Benedict, Commissioner
Captain Robert Carr, Commissioner
Jennifer Cohen, PMSA Vice President of Governmental Affairs

OPEN MEETING

1. Call to Order and Roll Call. (Chair Rodriguez)

Chair Rodriguez called the meeting to order at 10:02 a.m., called the roll, and confirmed a quorum.

2. Public comment on matters on the agenda or not on the agenda.

None

3. Approval of the minutes from the Finance Committee meeting held on May 12, 2025.

Possible Committee action to approve minutes from the Finance Committee meeting held on May 12, 2025. (Chair Rodriguez)

MOTION: Committee Member McIntyre moved to approve the draft minutes from the May 12, 2025, meeting. Committee Member Jacob seconded the motion.

VOTE: YES: Jacob, McIntyre, and Rodriguez.

NO: None.

ABSTAIN: None.

ACTION: The motion was approved.

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4. Update on status of shipping activity since May 2025, and discussion of shipping trends and possible impacts for the remainder of the calendar year. (Committee Member Jacob, Committee Member McIntyre, Assistant Director Millspaugh)

Assistant Director Millspaugh summarized the slides providing data and an overview of shipping trends.

Assistant Director Millspaugh and Committee Member Jacob agreed that the data presented demonstrated the overall trend of a slowed number of sailings. Shipping numbers for the rest of the year are not expected to increase. Committee Member McIntyre also agreed and stated that the SFBP has based their projections for shipping volumes off a more conservative replication of 2024, without any increases.

Assistant Director Millspaugh summarized a study from the San Francisco Economist regarding the economic impact to the Bay Area caused by tariffs.

Agenda items 8 and 9 were discussed prior to Agenda item 5.

8. Review and discussion on Fiscal Year (FY) 2024-25 year-end fund condition, revenues and expenditures. (Assistant Director Millspaugh)

Assistant Director Millspaugh summarized the slides included in the meeting documents and stated:

- Board Operations underspent its authority for several reasons, including some budgeted expenses not materializing at the full budgeted level, lower-than-anticipated spending on the Information Technology Modernization Project (ITMP), and lower legal costs than expected.
- Committee Member McIntyre stated that SFBP released their Request for Proposals (RFP) for the new pilot boat (build) and the SFBP will have a better idea of what the costs and timelines might be for the boat build by December 2025.
- Committee Member McIntyre complemented the updated process for data collection and projections, stating it was a better methodology.
- Legal expenses related to trainees are charged to the trainee training program (such as legal questions and hearings related to the trainee program) while other attorney expenses are charged to the Board Operations fund.
- Funds were adjusted in November 2024 (the adjustment was highlighted in the corresponding Finance meeting) to reflect correct allocations consistent with each fund purpose (such as the pilot boat expenses, previously listed under Board Operations, were moved to reflect expenditures from the Pilot Boat Fund).

Committee Members Jacob and McIntyre both commented that they were comfortable with a motion to support leaving all the surcharges unchanged and that the information included in the Board Documents was helpful, easy to understand, well presented, and would be relied on in future decisions regarding surcharge votes.

Committee Member McIntyre stated the pilot boat loan was a 10-year loan started in 2023.

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9. Review Fiscal Year (FY) 2025-26 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 Millspaugh)

a) Review Board Operations Surcharge rate (currently at 6.5% of all pilotage fees, effective July 1, 2025. Recommendation to the Board to adjust the Board Operations Surcharge rate, if warranted. (Assistant Director Millspaugh)

MOTION: Committee Member Jacob moved to recommend to the Board to not change the Board Operations Surcharge rate and to keep the Board Operations Surcharge rate at 6.5.% of all pilotage revenue. Committee Member McIntyre seconded the motion.

VOTE: YES: Jacob, McIntyre, and Rodriguez.
NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

b) Review Trainee Training Surcharge rate (currently at \$20/trainee/move, effective January 1, 2025), and the revenues, expenditures, and reserve balance. Recommendation to the Board to adjust the Trainee Training Surcharge rate, if warranted. (Assistant Director Millspaugh)

MOTION: Committee Member Jacob moved to recommend to the Board to not change the Trainee Training surcharge rate and to keep the Trainee Training surcharge rate at \$20 per trainee per move. Committee Member McIntyre seconded the motion.

VOTE: YES: Jacob, McIntyre, and Rodriguez.
NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

c) Review Pilot Continuing Education Surcharge rate (currently at \$45/move, effective January 1, 2025), and the revenues, expenditures, and reserve balance. Recommendation to the Board to adjust the Pilot Continuing Education Surcharge rate, if warranted. (Assistant Director Millspaugh)

MOTION: Committee Member Jacob moved to recommend to the Board to not change the Pilot Continuing Education Surcharge rate, currently at \$45 per move. Committee Member McIntyre seconded the motion.

VOTE: YES: Jacob, McIntyre, and Rodriguez.
NO: None.
ABSTAIN: None.

ACTION: The motion was approved.

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- d) **Review Pilot Boat Surcharge rate (currently at \$0.020 per gross registered ton effective April 1, 2025), and the revenues, expenditures, and reserve balance. Recommendation to the Board to adjust the Pilot Boat Surcharge rate, if warranted. (Assistant Director Millspaugh)**

MOTION: Committee Member Jacob moved to recommend to the Board not change the Pilot Boat Surcharge rate currently at \$0.020 per gross registered ton.

Committee Member McIntyre seconded the motion.

VOTE: YES: Jacob, McIntyre, and Rodriguez.

NO: None.

ABSTAIN: None.

ACTION: The motion was approved.

Committee Members and attendees discussed interest rates in relation to the pilot boat loan. Discussion points included:

- Ms. Cristia-Plant stated, for the Committee's consideration regarding the pilot boat loan, that the SMIF (Surplus Money Investment Fund) rate will change. The current rate is 4.177% but was previously almost 4.5% not too long ago.
- Committee Member McIntyre stated that the current loan interest [on the pilot boat Golden Gate] is 4%.
- Assistant Director Millspaugh stated that the SMIF interest is deposited to the [Pilot Boat] fund and the fund accumulating interest seems fiscally responsible because the interest earned in SMIF is better (the interest earned by the fund is higher than the cost of the loan).

5. **Review and discussion regarding the scope of audit(s) related to the use of Pilot Boat Surcharge funds to build or improve pilot boats (Pilot Boat Program) related to the use of Pilot Boat Surcharge funds to build or improve pilot boats (Assistant Director, Millspaugh)**

Possible recommendation to the Board on scope of audit(s) related to the use of Pilot Boat Surcharge funds to build or improve pilot boats (Pilot Boat Program).

Committee Members and attendees discussed audit planning. Discussion points included:

- Assistant Director Millspaugh stated his plan to work with Committee Member McIntyre to develop the audit plan. He summarized the potential audit focus as accounting for surcharge expenditures, against approved authorization. etc.
- Chair Rodriguez recommended drafting a Statement of Work (SOW) that would summarize what the audit would entail.
- Committee Member Jacob agreed with Chair Rodriguez and Assistant Director Millspaugh.
- Assistant Director Millspaugh stated he would have the draft SOW by the next Committee meeting.

6. **Review and discussion regarding the Board's authority to conduct audits related to the use of Pilot Boat Surcharge funds to build or improve pilot boats (Pilot Boat Program). (Assistant Director, Millspaugh)**

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Possible recommendation to the Board to approve a Board Resolution providing authority to conduct audits related to the use of Pilot Boat Surcharge funds to build or improve pilot boats (Pilot Boat Program).

Assistant Director Millspaugh suggested, and the Committee unanimously agreed to, forgoing the resolution process and solely relying on the Navigation Code for the authority to conduct audits; unless the State Controller’s Office provides argument for a resolution, at which point staff will present information to the committee.

7. Update and discussion on Gartner’s cost estimates for and IT solution for the Information Technology Modernization Project (ITMP) and projected Board Operations funds available in support of the procurement of the IT solution. (Assistant Director Millspaugh)

Assistant Director Millspaugh stated that there was no update in terms of costs. The project is still estimated to cost approximately \$2.1 million. Board staff have worked closely with the California Department of Technology (CDT) to develop the solicitation [for procurement of an IT solution] that will be ready [for CDT review] by October 2025 or early November 2025 and released by early 2026. Board staff will share a more accurate estimate after the first bids are submitted.

10. Comments from the public and Committee Members on matters not on the agenda. (Chair Rodriguez)

None.

11. Schedule the next Committee meeting, and proposals for the next Committee meeting agenda. (Chair Rodriguez)

The Committee and attendees discussed; and Assistant Director Millspaugh agreed to have Board staff send an attendance poll to Committee Members for the next Committee meeting to be held between November 3-10, 2025.

12. Adjournment. (Chair Rodriguez)

MOTION: Chair Rodriguez called for a motion to adjourn the meeting. Committee Member Jacob moved to adjourn the meeting. Committee Member McIntyre seconded the motion.

VOTE: YES: Jacob, McIntyre, and Rodriguez.
NO: None.

ABSTAIN: None.

ACTION: The motion was approved, and the meeting was adjourned at 10:58 a.m.

Submitted by:

Matthew Millspaugh

Matthew Millspaugh

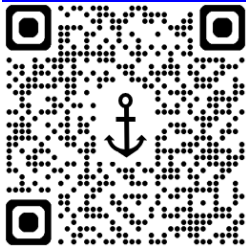
Assistant Director (on behalf of Executive Director, Garfinkle)

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ACRONYM INDEX

Acronyms / Abbreviations	Definition
BOPC/Board	Board of Pilot Commissioners
CA	California
CDT	The California Department of Technology
FY	Fiscal Year (a Fiscal Year is July 1 – June 30, instead of a calendar year of January-December)
ITMP	Information Technology Modernization Project
PMSA	Pacific Merchant Shipping Association
RFP	Request for Proposals
SCO	The State Controller’s Office
SFBP	San Francisco Bar Pilots
SMIF	Surplus Money Investment Fund
SOW	Statement of Work

This and other documents for this meeting can be found on the Board’s website <https://bopc.ca.gov/finance/>.



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