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ATTENDANCE

Committee Members Present via Webex:

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

Committee Members Absent:

None.

Staff Present via Webex:

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

Public Via Webex:

Captain John Carlier, SFBP President and Port Agent
 Kevin Baldwin, SFBP General Counsel
 Captain William Benedict, Commissioner

OPEN MEETING

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

Chair Rodriguez called the meeting to order at 9:32 a.m. Board Administrative Coordinator McNeill called the roll and confirmed a quorum.

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

None.

3. Review and approval of Finance Committee meeting minutes. (Chair Rodriguez)

Possible Committee action to approve the minutes from the Finance Committee meeting held on February 10, 2026.

Committee Member Jacob requested a non-substantive change to the minutes.

MOTION: Committee Member Jacob moved to approve the draft minutes from the February 10, 2026 meeting, as amended. 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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4. Update on status of shipping activity and discussion of shipping trends and possible impacts for the remainder of the Fiscal Year (FY)/calendar year. (Committee Member Jacob, Committee Member McIntyre, and Assistant Director Millspaugh)

Committee Member McIntyre stated that the April 2026 shipping volume was good (29 million gross tons), but the outlook remains uncertain. There has been a small increase in vessel moves because cruise season is underway. There has not been anything substantial one way or the other to indicate what will happen in the future.

5. Review and discussion of San Francisco Bar Pilots and Benevolent and San Francisco Bar Pilots Benevolent and Protective Association Consolidated Financial Statements for the years ended December 31, 2025, and 2024. (Committee Member McIntyre)

Committee Member McIntyre highlighted some key points in the 37 page Consolidated Financial Statement meeting document she provided. Some highlights included:

- Surcharge audit details are included in exhibits six and seven.
- The revenue for 2025 was \$51,269,355, similar to the revenue for 2024 of \$51,580,069.
- Pilot fees dropped by 3% in 2025.
- SFBP's operational expenses increased by 6% in 2025.
- The Pier 9 lease will expire at the end of 2026. SFBP is in the process of negotiating a new lease, so it was not listed in the Consolidated Financial Statement as a liability.

Attendees discussed whether the SFBP audit was required. Key points included:

- Committee Member McIntyre stated SFBP would continue to audit themselves regardless of requirements because it is in everyone's best interest.

Executive Director Garfinkle and Ms. Cristia-Plant stated that they believed it was required in the contract between the Board and SFBP. .

6. Update and discussion on key Board projects for FY 27/28: Information Technology Modernization Project (ITMP), Board Facilities, Legal Matters, and the Board Operations funds in support of the projects. (Assistant Director Millspaugh)

Executive Director Garfinkle stated that Board staff began work on increasing the board authority for ITMP, legal, , and Board office relocation/rent increase.. ITMP bids will be reviewed further in June 2026. ITMP is still on track for the \$2.473 million allocation.

In response to Chair Rodriguez's question regarding whether ITMP is on track, Records Management and Program Support Coordinator Shepherd stated that although the contract was expected to be signed by September, due to project delays and state-mandated processes, the contracting process will begin in FY 26/27. The expenses anticipated remain in line with previous estimates but will be incurred in FY 26/27 instead of FY 25/26. Current costs incurred for FY 25/26 mostly consist of Information Technology (IT) support from California Department of Technology (CDT) and other Departments, not system implementation.

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Ms. Cristia-Plant stated that the money will come out of the budget year in which the contract is signed.

Attendees discussed expenses incurred for planning and compliance compared to implementation and what is expected moving forward. Discussion points included:

- Committee Member Jacob stated that the Board may spend more on compliance (with state agency requirements) than the actual project costs.
- Executive Director Garfinkle agreed that the Board has been paying a lot for compliance with the state's process. The initial projected cost for the whole project was half a million dollars.
- Committee Member Jacob stated that he understood there have been issues in the past with state agency information technology project expenses but there should be ways to unencumber smaller projects from the risk project management requirements of the PAL process..
- Committee Member McIntyre agreed that there should be a small scale to streamline. She also stated that the development of ITMP has taken so long that Artificial Intelligence (AI) may soon make it obsolete.
- In response to Chair Rodriguez's concern that the product would be custom instead of using an off the shelf product, Records Management and Program Support Coordinator Shepherd stated that the ITMP solution will be more off the shelf. Three bidders have submitted quotes for off the shelf products with some degree of customizing, where appropriate.
- Chair Rodriguez and Committee Member Jacob cited examples of state agencies spending significant funds on software that did not work. (e.g. Both the Department of Social Services Welfare Program spent \$1.2 billion, and the Child Support Services program spent \$300 million on software that did not work.)
- Executive Director Garfinkle stated that the procurement process was not completely wasteful because it forced Board staff to review Board processes and create a roadmap that will be useful for succession planning
- Ms. Cristia-Plant stated that once a BCP is finalized, it is published on the Department of Finance (DOF) public website.
- Records Management and Program Support Coordinator Shepherd stated that there is an inflation rate built into inter agency contracts, approximately 3%, with other departments (such as the Department of Justice (DOJ), State Controller's Office (SCO), and California Department of Transportation (Caltrans)).

When discussing the various fund allocations, Mr. Jacob requested that the minutes reflect that just because funds are allocated in the budget is not indicative of the Board's approval of the expense. (e.g. If funds are allocated to legal costs, that does not mean the Board approved settlement amounts.)

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Executive Director Garfinkle agreed to Committee Member McIntyre's suggestion that, during the Board meeting, Board staff provide a brief budget process overview to Board Members (to explain how the budget process works).

7. Review year-to-date (FY 2025-26) and projected (FY 2026-27) 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 Millsbaugh)

Records Management and Program Support Coordinator Shepherd provided an overview of the corresponding meeting document. Key points included:

- The revenue collection and expenditures are proceeding as expected.
- Board Operations expenditures are approximately \$130,000 per month.
- Revenue is approximately \$220,000 per month.
- If conditions continue, fund balances will all have positive (surplus) balances at the end of the year.
- \$1.9 million budget authority in Board operations surplus at the end of the year (because ITMP is being postponed to FY 26/27).
- The pilot boat program revenue has an approximate run-rate of \$550,000 per month so the fund balance continues to grow.
- The meeting document lists 3.6 trainees, which is the average over 12 months.
- The current trainee surcharge is \$25 but the average for 12 months is \$21.25 due to rate adjustments.

Mr. Jacob stated that he may recommend changing the trainee training surcharge.

In response to Chair Rodriguez's question regarding how many applicants were received, Executive Director Garfinkle stated that there were 47 trainee exam applications received so far.

In response to Chair Rodriguez's question regarding communication with applicants and who reviews the exam applications, Executive Director Garfinkle stated that he personally reviews every application and immediately contacts the applicants if additional information/documentation is needed. This ensures that they have ample opportunity to work with Board Staff to resolve issues. He notifies applicants that they can also appeal and encourages them to attend the Selection Appeal Committee meetings and explains the Selection Appeal Committee process.

Agenda item 7B was voted on prior to agenda item 7A.

B) Review Trainee Training Surcharge rate (currently at \$25/trainee/move, effective April 1, 2026), and the revenues, expenditures, and reserve balance. Possible recommendation to the Board to adjust the Trainee Training Surcharge rate, if warranted.

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Committee Member McIntyre agreed with Committee Member Jacob's suggestion to adjust the trainee training surcharge (effective July 1, 2026). Committee Member McIntyre stated that, although there would be a new trainee list in October or November 2026, the revenue from the surcharge will drop prior to that because there will not be any trainees left in the program as some may soon graduate.

MOTION: Committee Member McIntyre moved to recommend to the Board to change the Trainee Training surcharge rate, from \$25 to \$30 per trainee per move, effective July 1, 2026. Committee Member Jacob seconded the motion.

VOTE: YES: Jacob, McIntyre, and Rodriguez.

NO: None.

ABSTAIN: None.

ACTION: The motion was approved.

A) Review Board Operations Surcharge rate (currently at 6.5% of all pilotage fees, effective July 1, 2025). Possible recommendation to the Board to adjust the Board Operations Surcharge rate, if warranted.

MOTION: Committee Member McIntyre moved to recommend to the Board that the Board Operations Surcharge rate remain unchanged, currently at 6.5% of all pilotage revenue. Committee Member Jacob 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 \$50/move, effective April 1, 2026), and the revenues, expenditures, and reserve balance. Possible recommendation to the Board to adjust the Pilot Continuing Education Surcharge rate, if warranted.

MOTION: Committee Member Jacob moved to recommend to the Board that the Pilot Continuing Education Surcharge rate remain unchanged, currently at \$50 per move. Chair Rodriguez seconded the motion.

VOTE: YES: Jacob, McIntyre, and Rodriguez.

NO: None.

ABSTAIN: None.

ACTION: The motion was approved.

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. Possible recommendation to the Board to adjust the Pilot Boat Surcharge rate, if warranted.

MOTION: Committee Member McIntyre moved to recommend to the Board that the Pilot Boat Surcharge rate remain unchanged, currently at \$0.020 per gross registered

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ton. Chair Rodriguez seconded the motion.
VOTE: YES: Jacob, McIntyre, and Rodriguez.
NO: None.
ABSTAIN: None.
ACTION: The motion was approved.

8. Updates and discussion regarding the new Pilot Station Boat Build Project (PB0000007). (Committee Member McIntyre)

Committee Member McIntyre stated that SFBP is in final stages of negotiating the vessel construction agreement and getting the line of credit agreement in place. The timeline is on track, but the costs have increased due to increased expenses for materials and sourcing (increased by \$230,000). SFBP will continue to share updates with the Committee and Board as they finalize the negotiation.

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

None.

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

Committee Members agreed to schedule the next Finance Committee meeting for Monday, September 21, 2026, 10:00 a.m. via Webex.

Records Management and Program Support Coordinator Shepherd agreed to Committee Member McIntyre's request that Board Staff send a notice to SFBP prior to the July 1, 2026 surcharge rate increase so SFBP could notify their staff.

11. Adjournment. (Chair Rodriguez)

MOTION: Committee Member Jacob moved to adjourn the meeting at 10:46 a.m. Committee Member McIntyre seconded the motion.
VOTE: YES: Jacob, McIntyre, and Rodriguez.
NO: None.
ABSTAIN: None.
ACTION: The motion was approved.

Submitted by:



Allen Garfinkle
Executive Director

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ACRONYM INDEX

Acronyms / Abbreviations	Definition
AI	Artificial Intelligence
BCP	Budget Change Proposal
BOPC/Board	Board of Pilot Commissioners
CA	California
Caltrans	The California Department of Transportation
CDT	The California Department of Technology
DOF	The Department of Finance
DOJ	The Department of Justice
FY	Fiscal Year (a Fiscal Year is July 1 – June 30, instead of a calendar year of January-December)
i.e.	In other words
IT	Information Technology
ITMP	Information Technology Modernization Project
PAL	Project Approval Lifecycle
PMSA	Pacific Merchant Shipping Association
SCO	State Controller's Office
SFBP	San Francisco Bar Pilots

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

