

MINUTES OF THE MEETING

FINANCE COMMITTEE BOARD OF PILOT COMMISSIONERS

**Sea Turtle Inn
1 Ocean Boulevard
Atlantic Beach, FL 32233
January 12, 2006**

CALL TO ORDER

Commissioner Buffington, Chair of the Committee, called the meeting to order at 10:46 a.m.

Members Present

Commissioner Michael Buffington, Chair
Commissioner Gene Sweeney, Vice-Chair
Commissioner John Fernandez
Commissioner John Hiers
Commissioner Cheryl Phipps
Commissioner Victoria Robas

Others Present

Dennis Yecke, Deputy Secretary of Professions, DBPR
Rick Morrison, Director, Division of Professions, DBPR
Robyn Barineau, Executive Director, DBPR
Elise Rice, Government Analyst, DBPR
Drew Winters, Prosecuting Attorney, DBPR
Mary Ellen Clark, Board Counsel
Galen Dunton, Board Consultant
Commissioner Eric Bryson, Board Member
Commissioner Rivers Buford, Jr., Board Member
Commissioner Rick Frudaker, Board Member
Commissioner Donald Molitor, Board Member
Allen Thompson, Tampa Bay Pilots Association
Gretchen Rayborn, Executive Director, Florida State Pilots Association (FSPA)
Tim McGill, St. Johns Bar Pilots Association (SJBPA)
Jorge Viso, President, FSPA
Joe Brown, SJBPA
David de le Parte, Counsel for FSPA

APPROVAL OF THE MINUTES OF THE MEETING

September 30, 2005

MOTION: Commissioner Sweeney made a motion that the Committee approve the September 30, 2005 minutes as submitted.

SECOND: Commissioner Fernandez seconded the motion.

Ms. Clark informed the Committee that Page 24 of the Minutes needed to be corrected to reference "0.6%."

There being no further discussion, the motion passed unanimously as amended.

REVIEW OF FIRST QUARTER RESULTS

Commissioner Buffington reported that the first quarter ended with the Board's cash balance growing. He commented that this was contrary to the intent of where the Board had hoped to keep their operating income neutral for the first two quarters and then significantly reducing the cash balance in the second half of the year.

Commissioner Buffington reported that the revenues were approximately 11% above budget, with most of the overage coming from the pilotage assessment. The increase in the pilotage assessment could be attributed partially to the one month lag in revenue accumulation under a prior assessment level. Commissioner Buffington stated that he believed that as a whole, the revenues were increasing which may be partially attributed to diverted traffic from hurricane damaged port facilities in the gulf.

After discussion, Commissioner Buffington informed the Committee that the figure for the 3rd quarter should be changed because the rate was 1%, therefore, the revenues are below budget. He stated that the revenue amount should be \$126,688 for the 1st quarter.

Commissioner Buffington informed the Committee that the expenses were about 7% below projections. He stated that the first quarter results for expenses normally tend to be on the low side.

Commissioner Buffington reported on the expenses for the following areas: Central Intake - there was no charge as the usage for this board was less than 1%; Information Technology was more than twice the amount that had been budgeted, however, the dollar figure budgeted for this item was so small that the impact was insignificant at this time; General Counsel was about 8% below budget and this may be attributed to first quarter accounting procedures; Consumer Complaints and Investigations had no allocated charges; DOAH, as has been discussed previously this figure can show a significant variance due to overall usage by the Department; Attorney General's Office was 12% over budget; Testing was pretty much on budget; Service Charge is dependent on revenues collected and this charge is probably on budget or slightly below as revenues should significantly decrease during the second half of the year; Board Administrative Office was 7% below budget which could be attributed to the first quarter slows and the fact that we have excellent personnel working for us.

Commissioner Buffington stated that the Rate Review Board Attorney General charge and Rate Review Board Administrative Office charge are in error as to

their percentage of budget; the Attorney General should be zero and the Administrative Office should be 0.3% because there have been no rate hearings.

Commissioner Buffington reported that the Administrative Costs were about 15% below budget which was most likely attributed to the first quarter slows and may also be, in part, due to greater efficiencies of the office.

REVIEW OF GROSS PILOTAGE ASSESSMENT

Commissioner Buffington reminded the Committee that at the last meeting, the Committee voted to decrease the gross pilotage assessment to 0.25% effective January 1, 2006. The Rules Committee adopted this change, and the Board ratified the change on September 30, 2005.

Commissioner Buffington stated that he regretted to say that the change did not go into effect until after January 1 of this year. A decision was made by our Executive Director to eliminate the confusion and difficulties a mid-month change would have on both the Boards and the pilot association's bookkeeping. Commissioner Buffington informed the Committee that the decision, with which he concurred, places the rule in effect beginning February 1, 2006. He stated that the attempt by this Committee to immediately reduce its cash balance to zero has been undermined by this delay.

Commissioner Buffington recommended that in order to alleviate the aforementioned error, he believed a reduction to 0.1% effective April 1, 2006, would help this Committee reduce the revenue to the level affirmatively voted upon at its last meeting. He further stated that that the effectiveness of this action would be diminished if the paperwork for this rule change was not submitted in a timely manner.

Ms. Clark informed the Committee that she would not be able to have the rule process completed in order for the assessment to be changed effective April 1, 2006, however, the effective date could be May 1, 2006.

Commissioner Robas stated that it would be appropriate for the Committee to first ratify the actions of the Chair to authorize the change from the effective date of January 1, 2006 to February 1, 2006.

MOTION: Commissioner Fernandez made a motion that the Committee recommend to the Board to approve the effective date of the gross pilotage assessment from 0.6% to .25% February 1, 2006.

SECOND: Commissioner Phipps seconded the motion and it passed unanimously.

MOTION: Commissioner Fernandez made a motion that the Committee recommend to the Rules Committee to reduce the gross pilotage

assessment to 0.1% (one tenth of one percent) effective May 1, 2006.

SECOND: Commissioner Phipps seconded the motion and it passed unanimously.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 11:16 a.m.