CALL TO ORDER
Commissioner Buffington, Chair of the Finance Committee, called the meeting to order at 2:07 p.m.

Members Present
Commissioner Buffington, Chair
Commissioner Sweeney, Vice-Chair
Commissioner Bryson
Commissioner Buford
Commissioner Fernandez
Commissioner Frudaker
Commissioner Molitor
Commissioner Phipps
Commissioner Robas

Others Present
Robyn Barineau, Executive Director
Elise Rice, Government Analyst
Mary Ellen Clark, Board Counsel
Drew Winters, Prosecuting Attorney
Galen Dunton, Board Consultant
Gretchen Rayborn, Florida State Pilots Association
Jorge Viso, Florida State Pilots Association
John Atchison, St. Johns Bar Pilots Association
Ron Christaldi, Florida State Pilots Association
Allen Thompson, Tampa Bay Pilots Association
David de la Parte, Florida State Pilots Association

APPROVAL OF THE MINUTES OF THE MEETING
January 22, 2007
MOTION: Commissioner Robas made a motion that the Committee approve the January 22, 2007, minutes as submitted.
SECOND: Commissioner Fernandez seconded the motion.

Commissioner Sweeney stated that the actual balance amount on the second page of the minutes was incorrect and it should reflect $119,915.00.

The motion passed unanimously as amended.
REVIEW OF 2ND QUARTER RESULTS
Commissioner Buffington reported that the total revenues were $102,937 or 34% of this year’s budget, while expenses were $78,763 or 20% of budget. This yielded an income of $24,174. He stated that the year to date revenues were almost 55% of budget while the expenses were only 35% of budget. Commissioner Buffington reported that the year to date net income was $27,016.

Commissioner Buffington informed the Committee that the year to date revenues were very close to budget, therefore, he was going to skip over to expenses.

Central Intake was a small item and was on budget for the quarter.

Information Technology was about 50% over projections for the quarter but, since there was an underage for the first quarter, year to date we are only 15% above projections.

General Counsel was on the money for the quarter and year to date was also very close to projections.

Consumer Complaints and Investigations did not have any costs allocated.

DOAH did not have any costs allocated at this time, however, he expects to see a charge before year's end.

Attorney General’s Office was refunded money for this quarter and the year-to-date was about 10% below projections.

Testing was 15% below projections and was about 35% below projections for the year-to-date. Commissioner Buffington stated that this expense will increase in the last two quarters due to the deputy pilot examination administration.

Service Charge was a 7.3% tax on the revenues and was slightly over budget for the quarter but was on target for year-to-date.

Board Administrative Office was about 7% above projections but was also on target for the year to date.

Rate Review Board Attorney General did not have any charges to this item, however, there was a rate hearing during the past quarter so they will have expenses allocated in the future.

Rate Review Board Administrative Office had some expense in preparation for the hearing as mentioned above.

Administrative Costs was about 5% below projections while this item was about 14% below projections for the year to date.

Transfer to Professional Regulation Fund almost half of what the Board received in the first quarter was transferred back. Commissioner Buffington stated that most of this money was related to the Information Technology.
Transfer to Administrative Trust Fund is a loan the Board made to another board.

REVIEW OF GROSS PILOT ASSESSMENT
Commissioner Buffington informed the Committee that in projecting the revenues to the end of the year, they should have about $284,000. This amount includes a one month carry over in the transition from an assessment of 0.7% to 0.35% which became effective January 1 of this year. The expenses projected to the end of the year yields a value of about $392,000. Commissioner Buffington stated that he took into consideration an expense from DOAH and also the Rate Review Board and at the end of the year, the net assets would be about $31,600.

Commissioner Buffington stated that in reviewing the first quarter of the next fiscal year expenses, based on the five year budget, will be around $99,000. The revenues at the current assessment of 0.35% will yield about $47,200. Commissioner Buffington stated that this amount when added to the year end balance will leave the Board about $20,000 in debt.

Commissioner Buffington informed the Committee that in order to avoid this situation, they needed to raise the gross pilotage assessment rate. He suggested that the rate be increased to 0.7% with an effective date of July 1, 2007.

Ms. Clark informed the Committee that the rule could be in effect by July 1, 2007. She also informed the Committee that a DOAH hearing had been requested in the Michael Funk matter which will increase the expenses from the Attorney General’s Office along with the DOAH charges.

Following discussion, the following action was taken.

MOTION: Commissioner Sweeney made a motion that the Finance Committee recommend to the Rules Committee that the Gross Pilotage Assessment Rate be changed to 0.75% effective July 1, 2007.
SECOND: Commissioner Robas seconded the motion which passed with Commissioner Fernandez voting against the motion.

 Commissioner Buffington provided the Committee with an update on the charges for Information Technology. He stated that he had been working with Ms. Barineau to find answers to this line item as to how projections were made and the identification of expense items within this item. He stated that he was still perplexed by this area’s expenses. Commissioner Buffington stated that this may be a result of the allocation methodology and accountings of these expenses.

Based on Commissioner Buffington’s concerns and if the Committee was in agreement with his concerns, then he would suggest that they request a representative from the Department to attend the next meeting to explain the handling of Information Technology.
MOITON: Commissioner Robas made a motion that someone from the Department attend the next meeting who can speak on the accounting of the Information Technology line item included in the financial report and also explain the long range plans.

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

ADJOURNMENT
There being no further business to come before the Committee, the meeting was adjourned at 2:55 p.m.