

TAHOE REGIONAL PLANNING AGENCY
OPERATIONS & GOVERNANCE COMMITTEE

TRPA/Zoom

October 23, 2024

Meeting Minutes

CALL TO ORDER AND DETERMINATION OF QUORUM

Chair Ms. Gustafson called the meeting to order at 8:37 a.m.

Members present: Ms. Bowman (for Mr. Aguilar), Mr. Bass, Ms. Gustafson, Mr. Hill, Ms. Laine, Mr. Rice

I. APPROVAL OF AGENDA

Mr. Cox stated that there were no changes to the agenda.
Ms. Gustafson deemed the agenda approved as posted.

II. APPROVAL OF MINUTES

Ms. Hill moved approval of the September 25, 2024 minutes as presented.
Motion carried.

III. [Discussion and possible recommendation for approval of September Financials](#)

TRPA Chief Financial and Administrative Officer, Mr. Chad Cox, presented an update on the first quarter of the fiscal year (July through September). He shared that discussions with both California and Nevada are ongoing regarding budget planning for California's 2026 fiscal year and Nevada's 2026-2027 biennium. In California, they have been working on a Budget Change Proposal (BCP) for salary increases, which faced an initial denial but is now under appeal with the support of the California Natural Resources Department. This appeal keeps the process moving forward. In Nevada, conversations with the Governor's Office of Finance are also ongoing, with questions addressed and metrics updated, showing steady progress.

For the first quarter, revenues reached 33%, with planning fees surpassing last year's numbers. Permitting volume has remained strong, even into October. On the expenditure side, spending is at 13% of the budget, less than the quarter mark, because contract spending aligns with grant timing. Currently, contracts are only at 8% of the budget.

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Mr. Cox also noted that state revenues (slide 6) are almost fully received at 97%, with the remaining balance expected from Nevada's Board of Examiners for salary increases later in the fiscal year. Grant revenue is at 1% since invoicing is done quarterly; this figure should rise as the finance team submits first-quarter invoices, which will reflect in October's reports.

Mr. Cox continued by detailing revenue and expenses for the first quarter of the fiscal year and reported that Permitting Fees are on target; AIS (Aquatic Invasive Species) and Shoreline Fees are currently at 3% and 15% of the budget, respectively, due to seasonal fluctuations, these fees are expected to increase by spring. For the Local Revenues, invoicing was completed in October, so revenues should appear in the coming month. For 'Other Revenue' which is interest and investment, the income is on track. So overall, revenue is performing well for this point in the fiscal year.

In terms of expenses, salaries are currently at 22%, slightly under budget because recent salary increases took effect on August 23, 2024. Additionally, there was a vacancy for a finance grant analyst position, which was filled on October 7, 2024 leaving a slight gap in staffing. Spending on contracts is expected to rise as grant activities increase and all other categories are aligned with expectations, with no areas of concern.

Moving to cash flow (slide 8), Mr. Cox said cumulative cash flow is currently at \$7.7 million. Total receipts are \$13.5 million for the quarter, largely driven by state appropriations received in July. Additional income included around \$2 million in grant receipts from invoices sent in the previous fiscal year, \$700,000 in planning fees, and approximately \$1.2 million in mitigation fees collected over the first three months. Disbursements for the quarter are at \$5.8 million so far, primarily covering accounts payable and salaries. Mr. Cox added that some mitigation fund disbursements are pending, with around \$1.1 million approved in August and September.

Public Comments

None.

Committee Comments

Mr. Rice made a motion to approve the September Financials

Ayes: Ms. Bowman (for Mr. Aguilar), Mr. Bass, Ms. Hill, Ms. Gustafson, Mr. Rice, Ms. Laine

Motion carried.

IV. [Discussion and possible recommendation for approval of Release of El Dorado County Water Quality Mitigation Funds \(\\$20,000.00\) towards the Pioneer Trail/US Highway 50 Intersection Safety Improvement Project](#)

Ms. Tracy Campbell, TRPA Environmental Improvement Department, presented the item (slide 12) on behalf of El Dorado County. Located in Meyers, the project will improve the intersection at US Highway 50 and Pioneer Trail by replacing the existing signalized intersection with a modern roundabout.

The project aims to improve traffic flow, mobility, walkability and sustainability at the intersection and will close a major gap in the area's active transportation system. The

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multimodal transportation improvements include visible crosswalks, a shared use path, improved lighting and signage, and they'll also implement a new stormwater drainage system to improve water quality. The requested funds will be used for the final design phase and will help meet those really critical local match requirements for some previously awarded federal funds.

Senior Engineer from El Dorado County, Dan Kickert, was available to answer any questions about the project.

Public Comments

None.

Motion

Ms. Hill made a motion to recommend Governing Board approval of the release subject to the conditions in the staff report.

Ayes: Mr. Bass, Ms. Bowman (for Mr. Aguilar), Ms. Hill, Ms. Gustafson, Mr. Rice, Ms. Laine

Motion carried.

V. [Release of El Dorado County Water Quality Mitigation Funds \(\\$35,000.00\) towards the Apache Avenue Pedestrian Safety and Connectivity Project](#)

Ms. Tracy Campbell, TRPA Environmental Improvement Department, presented the item (slide 17) on behalf of El Dorado County.

For this request, the Project site is along Apache Avenue from the US 50/ SR 89 intersection, to the Lake Tahoe Environmental Science Magnet School, and proposes to implement sustainable mobility improvements to provide a safe, walkable and bikeable roadway.

The project will reconstruct approximately 0.39 miles of Apache Avenue with the addition of curb and gutter, a stormwater drainage system, a Class 1 shared use path, a new sidewalk, and updates to the existing Class 2 bike lanes on both the north and southbound sides.

Safety improvements include increased signage and a driver speed feedback sign, high visibility crosswalks and pavement markings, and ADA curb ramps.

For this project the requested funds will be used for construction which started this year, and is scheduled for completion next year, 2025.

Senior Engineer from El Dorado County, Dan Kickert, was available to answer any questions about the project.

Public Comments

None.

Motion

Ms. Laine made a motion to recommend Governing Board approval of the release subject to the conditions in the staff report.

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Ayes: Mr. Bass, Ms. Bowman (for Mr. Aguilar), Ms. Hill, Ms. Gustafson, Mr. Rice, Ms. Laine

Motion carried.

VI-VIII. [Discussion and possible recommendation for approval of inflation adjustment to the TRPA Filing Fee Schedule, the TRPA Rental Car Mitigation Fee, and the TRPA Mobility Mitigation Fee](#)

Mr. Chad Cox, TRPA Chief Financial and Administrative Officer presented this item (slide 22). He explained that the adjustments involve three specific fees, but will require only two resolutions due to differences in the timing of when these resolutions will take effect. The Rental Car Mitigation Fee must be set for January 1 to cover a full quarter, while the Filing and Mobility Mitigation Fees are planned to start later in January.

TRPA's authority to set these fees comes from Article 8B of the TRPA Compact, which permits the agency to establish reasonable fees for the services it provides. TRPA's established practice, per the Rules of Procedure is to adjust fees according to the Western States Consumer Price Index (CPI), which currently reflects an inflation rate of 2.1%. This inflation rate serves as the basis for the proposed fee increases, which would raise both application and mobility mitigation fees by 2.1%, with the rental car mitigation fee rising from \$6 to \$6.13.

Even with these increases, fees still fall short of covering the full cost of the permitting and compliance departments, which include overhead expenses. To address this gap, TRPA is working on a process improvement plan that began last year and has now started to produce measurable outcomes. Mr. Cox noted that, in the coming six to twelve months, the agency will revisit the results of these process improvements, aiming for a more sustainable fee structure to better support TRPA's essential services.

Committee Comments

Ms. Gustafson raised a question about the timing used to track the Consumer Price Index (CPI) adjustments, specifically noting the decision to use September-to-September as the comparison period. She found it interesting, given that there are many different months that could serve as the baseline.

Mr. Cox acknowledged this, explaining that the September timeline aligns with historical precedents. In reviewing prior adjustments, he noted that CPI-related discussions had typically landed between September and December on the agenda. Previously, TRPA's procedures included a 3% minimum floor for fee adjustments, allowing for either the CPI or 3%, whichever was higher. However, this floor was not incorporated into Article 16 when it was approved last year. Ms. Gustafson suggested reintroducing the 3% minimum, especially since current fees still don't fully cover the department's operational costs. Mr. Cox agreed, expressing intent to revisit this floor along with other procedural adjustments in the future. He emphasized, though, that waiting to amend the rules now would have delayed current fee adjustments, and the difference between 2.1% and 3% over the next six months is relatively small. For now, moving forward with the 2.1% adjustment was the priority, while procedural refinements could be addressed down the line.

Ms. Laine asked by what percentage they're falling short. Mr. Cox explained that there's a gap of \$1.2 million in the budget for this year, which translates to over a 10% shortfall. He clarified that this gap largely stems from unmet administrative and overhead costs. Inflation adjustments alone, he admitted,

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wouldn't be enough to close such a significant gap.

Ms. Laine also highlighted a concern for affordability, wondering where the "sweet spot" might be for residents. Ensuring permit fees remain affordable while covering necessary costs, especially for those needing permits for their projects, is an ongoing consideration. Mr. Cox acknowledged this and explained that the team is currently analyzing costs versus time spent on various services. They plan to bring back insights within the next six to twelve months. This review will allow them to identify areas where fees might need more precise adjustments, rather than applying a broad inflation-based increase, which could potentially lead to a more balanced and fair fee structure for residents.

Public Comments

None

Motion

Mr. Rice made a motion to recommend approval of Resolution 2024-___, as shown in Attachment A, Exhibit 1 amending the TRPA filing fee schedule and mobility mitigation fee.

Ayes: Mr. Bass, Ms. Bowman (for Mr. Aguilar), Ms. Hill, Ms. Gustafson, Mr. Rice, Ms. Laine

Motion carried.

Ms. Laine made a motion to recommend approval the attached resolution 2024-___, as shown in Attachment B, amending the RCMF.

Ayes: Mr. Bass, Ms. Bowman (for Mr. Aguilar), Ms. Hill, Ms. Gustafson, Mr. Rice, Ms. Laine

Motion carried.

IX. [Quarterly Treasurer's Report](#)

Mr. Cox presented an overview of the Quarterly Treasury Report (slide 28), noting that every quarter, they review and share the agency's investment progress. As of September 30, the agency's investment balance stood at \$37.3 million, reflecting an increase of \$10.6 million since the fiscal year began. This growth aligns with the cash flow from state appropriations, which are received in full at the start of the fiscal year and spent gradually over the year. Additionally, funds that had been moved to the operating account last June for fiscal security were not ultimately needed and were thus returned to the investment account, contributing to the balance increase.

The agency maintains a conservative investment approach, with 69% of assets held in state-managed funds, 24% in treasuries, and 9% in corporate securities. The investment policy is under review, and a policy certification update is expected shortly, ideally in time for the upcoming agenda next month.

Regarding the maturity profile, 81% of the investments have maturities of less than one year, ensuring a focus on short-term assets. All securities continue to meet the agency's rating and term requirements, and ratings have remained stable throughout the last quarter. Recent maturities included two treasuries yielding 3.3% and 4.3%, along with corporate securities from Coca-Cola and Toronto Dominion, yielding 1.8% and 4.3%, respectively. This trend of lower-yield securities maturing and being replaced by higher-yield investments is expected to support improved interest income over the next year.

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Mr. Cox moved on to discuss the broader market environment to provide context on its influence on the agency's investments. He said that the federal funds interest rate had been reduced by 50 basis points in September, marking the first rate reduction in a long while. This shift has led to a decrease in short-term treasury yields, which dropped between 50 and 90 basis points.

On slide 31, the "spot rates," show the trend from shorter- to longer-term yields. Notably, the two-year treasury rate had dropped by around 108 basis points. Despite this decline, the agency's securities have an average maturity of about 21 months, meaning they remain relatively stable and locked in at favorable rates through the end of this year and well into next. This maturity structure allows the agency to benefit from interest on these securities despite the falling rates.

Additionally, the agency's investments in state funds remain strong, with current yields of 4.58% from LAIF and just over 5% from LGIP, reflecting the stability of these state-managed pools even amid broader market shifts.

X. UPCOMING TOPICS

Mr. Cox said that the November meeting will include the monthly financials, and a discussion on the public records request process/fees. In December/January audit the fiscal year audit will come to the committee, along with the annual AIS fee update.

XI. COMMITTEE MEMBER COMMENTS

None.

XII. PUBLIC INTEREST COMMENTS

None.

XIII. ADJOURNMENT

Ms. Gustafson called to adjourn at 9:16 a.m.

Respectfully Submitted,

Tracy Campbell

Tracy Campbell
Executive Assistant

The above meeting was recorded in its entirety. Anyone wishing to listen to the recording of the above mentioned meeting may find it at . In addition, written documents submitted at the meeting are available for review. If you require assistance locating this information, please contact the TRPA at (775) 588-4547 or virtualmeetinghelp@trpa.gov.