

TAHOE REGIONAL PLANNING AGENCY  
OPERATIONS AND GOVERNANCE COMMITTEE

TRPA/Zoom Webinar

June 28, 2023

**Meeting Minutes**

CALL TO ORDER AND DETERMINATION OF QUORUM

Chair Ms. Aldean called the meeting to order at 8:15 a.m.

Members present: Ms. Aldean, Mr. Di Chiara (for Mr. Aguilar), Mr. Hoenigman, Ms. Laine

I. APPROVAL OF AGENDA

**Agenda approved.**

II. APPROVAL OF MINUTES

May 24, 2023 Minutes will be in the July 26, 2023 Governing Board packet.

III. [RECOMMEND APPROVAL OF MAY FINANCIALS](#)

TRPA Financial Director, Mr. Chris Keillor presented the item. Mr. Keillor said that they are now getting towards the end of the year now with eleven out of twelve months in the bag. He said that looking ahead, he estimates that labor costs will underrun by about \$100,000.00 for the year, so there will be a little bit of a surplus. Contracts are harder to track because so many of them get billed late, and they'll be paying invoices on contracts through August, maybe into September. Mr. Keillor highlighted one red flag on the revenue side, which is that they normally budget for about a hundred \$150,000.00 a year in settlements, and that bounces up and down from year to year. While that is good for an overall average, this happens to be a year where they haven't had very many.

Mr. Keillor said about half of the \$500,000.00 worth of bond money for building maintenance has been spent. The two remaining items that will consume the balance are parking lot overlay and restriping, and the retaining wall up front. The parking lot work is ready for contract, but they are still working with contractors on the retaining wall, and hoping to get that back to a reasonable number. That work will require an Engineering study and a Douglas County permit, and Mr. Keillor is beginning to think the work may not be completed this year.

Mr. Keillor advised that planning fees have been low over the last four-five months, but they're seeing trends going the other way with more pre-application work underway. He said that while they will miss that budget number for this year, he is more optimistic about next year.

Mr. Keillor said that the cash flow trend was typical, with an influx of state monies at the beginning of the year followed by a spend down towards the end of the year. Right now on a year-to-date basis they are positive \$600,000.00, but cash flow will probably be negative by the end of the year. That's mainly due to disbursement of the Excess Coverage money to Nevada Division of State Lands, which was money in the bank and therefore not an operational issue.

## OPERATIONS AND GOVERNANCE COMMITTEE

June 28, 2023

### Committee Comments/Questions

Ms. Aldean said she considered it a success for TRPA that settlement revenues are down, because people are complying with the rules. She wondered if settlement revenues should even be included in the budget, or whether they should be treated as something that's serendipitous. Mr. Keillor said this was unusually low and they have been using that money to ensure a balanced budget. He added that they do have some reserves, so if they run low it's not at the end of the world.

Mr. Settlemyer asked what percentage of the TRPA budget compiles from settlements, and what percentage compiles from fines. Mr. Keillor said he couldn't provide an exact answer because they distinguish between two things. A settlement would follow the process through to the Governing Board, but oftentimes an agreement will be reached with the applicant offline. When that happens they assess a double planning fee, and that appears in a different part of the budget. Mr. Keillor said that overall the standard estimate for settlements for the year is \$150,000.00, and the TRPA total budget for this year is 19 million dollars.

Mr. Hoenigman said with the permits down this year compared to past years, he noticed in a Tahoe in Depth article showing the length of time permits have been open, that 17% have been open more than 120 days. He asked why they were over 120 days and if they were able to catch up on things during the slower period. Mr. Keillor advised that permits weren't necessarily down, they were still high the first six months of the year, and are down relatively over the last five months. He added that he was under the impression that the Permitting and Compliance department had hit their 30/120 marker, but he doesn't know if the Tahoe in Depth information includes those permits that are in a state of suspension.

TRPA Executive Director, Julie Regan added that they believe the weather had a huge effect on revenues, due to the excessive winter. She said they have lived through this many times in big winters and it does catch up. For the longer permit times, she said that those are typically for more complicated projects, such as shoreline projects, and said that more staff have been added to shoreline project review. She said they have been catching up on that, and making a lot of great progress. Ms. Regan said there probably are some complicated ones, and part of the additional restructuring over the last couple of months pulled more resources into the Permitting and Compliance team. For example, Jen Self moved from Long Range Planning to Permitting and Compliance to address some of those languishing permits. Ms. Regan said staff will tease out the particulars and get back to the Board.

Ms. Aldean thanked staff for providing the information, and noted there was one outlier in the report of projects that are over 120 days. That one is a residential dwelling unit, whereas all the others are shoreline related which is not unexpected. She asked if John Hester could provide more details on that project.

### Public Comment

None.

### Motion

Ms. Laine made a motion to recommend the Governing Board approve the May Financials

Ayes: Ms. Aldean, Mr. Di Chiara (for Mr. Aguilar), Mr. Hoenigman, Ms. Laine

**Motion carried.**

## OPERATIONS AND GOVERNANCE COMMITTEE

June 28, 2023

### IV. [Recommend approval for Release of City of South Lake Tahoe O&M Mitigation Funds \(\\$25,000\) for the League to Save Lake Tahoe Microplastics Beach Clean Up Project](#)

TRPA EIP Executive Assistant, Tracy Campbell presented the item. Ms. Campbell advised that the City of South Lake Tahoe were requesting approval of the release of \$25,000 in Operations and Maintenance (O&M) mitigation funds towards the Microplastic Beach Clean Up Project. The project proposes the use of innovative technology, the Eco-clean Bot, otherwise known as the BEBOT Beachcomber, to safely remove microplastics and other trash from Lake Tahoe beaches. In this case it will be beaches within the City of South Lake Tahoe.

The City will be working in partnership with the League to Save Lake Tahoe who are providing the matching funds. O&M funds do require one-to-one local match. The League have also been working closely with the BEBOT team, and worked together on some extensive testing and piloting last year which proved to be very effective.

Senior Policy Analyst with the League to Save Lake Tahoe, Laura Patten was available for questions.

#### Committee Questions/Comments

Ms. Aldean said she had seen video of the operation of the BEBOT which she found interesting. She asked Mr. Keillor if there was any administrative problem by releasing these funds directly to the league as opposed to The City of South Lake Tahoe. Mr. Keillor said that as long as the City is specifically directing TRPA to release the funds to the League there isn't a problem.

Ms. Aldean thanked the League to Save Lake Tahoe for stepping up and providing the matching funding necessary to finance the use of the BEBOT. For the purpose of disclosure, Ms. Aldean said that she had participated in a recent zoom meeting recently with members of the League Board, during which the use of this technology was discussed.

Mr. Di Chiara asked if any post clean-up data, regarding what is found and picked up, would be distributed to the TRPA Governing Board. He said he knows that there is legislation around microplastics in Nevada that has not moved forward, but he imagines that data points would be very useful as they look at dealing with this issue. Ms. Aldean agreed this would be helpful and asked Ms. Patten if a report could be submitted at the end of the season. Ms. Patten said that the League will be compiling all of the data and a report will be made available. She said they have created a [story map](#) from all of the 2022 data.

Ms. Aldean asked which beaches the BEBOT would be used on. Ms. Patten said they have not yet determined the location. They wanted to ensure approval first, with the intention they would coordinate for the fifth of July clean-up, and a person versus robot clean-up.

Mr. Hoenigman asked if the ultimate goal was to figure out if this works, and then expand it around the Lake. Ms. Aldean said that depends to a certain extent on funding - \$50,000 is being allocated to a single beach clean-up this season. She asked Ms. Patten if it was possible that more than one beach would be included in the program this year. Ms. Patten said this particular ask is intended to clean up the beach in the near term, and then do an end of season clean up of a whole beach. Ms. Patten said that last year they collected a lot of data from utilizing the machine on smaller parcels, and found that up to 10 times the amount of litter items was removed by BEBOT versus human clean-ups, because it goes four inches under the sand. She added that the idea is to have this technology utilized on different beaches, collect that data, and hopefully be able to deploy in other areas in the future – but Ms. Aldean is correct that it will be funding contingent.

## OPERATIONS AND GOVERNANCE COMMITTEE

June 28, 2023

### Public Comment

None.

### Motion

Mr. Hoenigman made a motion to recommend the Governing Board approve the release, subject to the conditions contained in the memorandum.

Ayes: Ms. Aldean, Mr. Di Chiara (for Mr. Aguilar), Mr. Hoenigman, Ms. Laine

**Motion passed.**

### V. [Briefing on Fiscal Year 2023/2024 Annual Budget](#)

TRPA Financial Director, Mr. Chris Keillor presented the item. Mr. Keillor said this is normally the month they would bring the budgets, but since they are still working on some final details they will bring the full briefing next month. That said, they are pretty far along, and he wanted to show the committee where they are, and get the initial conversations underway. He said while these are rough numbers, it's a pretty good representation, and if anything the grant numbers may increase.

Mr. Keillor said the main thing to call your attention to is that the current year budget is for 19 million dollars, whereas the budget for next year represents a substantial increase, with 27 million dollars. Mr. Keillor said that when he joined the agency 12 years ago, budgets were around 12 to 13 million dollars. He said that the biggest impacts are the Lake Tahoe Restoration Act (LTRA) grants, and the agreement with the Forest Service Lake Tahoe Basin Management Unit for about 5 million dollars a year in grants. He added that there is also a substantial increase in funding from the State of Nevada, who are back up to the two thirds-one third share, and with some of the special allotments, they may slightly exceed that because of the issues in California. Mr. Keillor say he heard late last night that California has reached a deal on the budget. The numbers he saw were only for the general fund so he will have to wait to see the TRPA portion, which is in special funds.

Referring to slide no. 11, Mr. Keillor said he had broken the general fund out into two pieces. The top piece is what they want to be balance at a zero balance, but there are some other items in there that would cause them to show a negative in terms of revenues versus expenses, but they really aren't a negative operationally. The first one is the Shoreline Fund, which still has some reserves dating back to the original Shoreline Program in 2007. So the fact that expenses will slightly exceed the revenue on the Shoreline Fund isn't a big deal since they will spend down those reserves. He added that it does not make sense to move money from the General Fund over to the Shoreline Fund when they have a reserve. Mr. Keillor said that now they are through permitting most of the existing buoys and piers they will now look to spend more effort on enforcement, and that is reflected in the budget.

Mr. Keillor said the other thing shown is the bond money that he referenced earlier. They started out with \$500,000.00 and basically spent \$250,000.00. The remaining \$250,000.00 will show as a deficit on our financial statements, but it's not really a deficit. Mr. Keillor said that the Tahoe Science Advisory Council (TSAC) is balanced because they work like a grant and TRPA are reimbursed for all those costs. On the grant side, Mr. Keillor said the big increases are in AIS and EIP.

Mr. Keillor said they are about 90% there in terms of getting the budget together, and are just working out the final details. He said the budget does fund the Work Plan, and both items will come to the Governing Board next month.

## OPERATIONS AND GOVERNANCE COMMITTEE

June 28, 2023

Mr. Keillor added that under Ms. Regans' leadership there is a little bit more focus on making sure that they're working on staff retention and doing right by the staff.

Referring to some key revenue assumptions (slide 13), Mr. Keillor said that state funding is basically all known at this point. The only outlier on the California budget is that they were told that they will have an opportunity to go back this fall to ask for more money for staff salary increases. This got pushed from the regular budget because their deficit against the general fund was so enormous, they just didn't have time to talk to anybody about anything else. So they shut down any efforts to talk about the Environmental License Plate fund. Mr. Keillor said he is not expecting much from California, and not as much as they got from Nevada, because California just isn't giving the same raises.

Ms. Aldean asked Mr. Keillor if, in view of the financial situation in California, did he think it likely that these special funds could be rated. Mr. Keillor replied that if they have an agreement on the general fund, then he thinks the answer is no, they won't be rated. Mr. Keillor added that the strategy this year was to stay below the radar and out of the line of site, and he feels confident that it worked.

Mr. Keillor said that the other key assumption on the planning side is that there will be a surge from shoreline permits. That's a planning action so it goes into planning funds. He advised that the lottery takes place every other year, and this is a lottery year, so they are expecting to see a substantial number of applications for piers and buoys, to the tune of + \$300,000.00.

Mr. Keillor said they did include inflation adjustment as they do every year. 6.4% was the inflation number when they started the budget process a couple of years ago. They will revisit that, and come back, probably in October, when they review the inflation adjustments for planning fees. They are thinking about moving that up, and maybe that can be combined with the overall budget approval process.

Finally, they are seeing a lot of activity on some major projects, which makes him more confident about higher planning fees. Homewood, with or without a master plan revision, will be filing applications for the individual components of their project. They are also seeing signs of life in other areas such as Cal Neva, and the Boatworks, so some major projects are in sight. As he indicated earlier, Mr. Keillor said they are also seeing positive indicators with pre-permitting activity. So those are the two slightly aggressive assumptions, but he thinks they are reasonable. Ms. Aldean said they can always make a course correction if they have to.

On the expenditure side, Mr. Keillor said they are proposing a 5% salary increase for staff. This increase will not be spread evenly, but will be based on a combination of factors including performance, and where people are paid within their salary ranges. He said there are new positions in this budget. Mr. Keillor said that for several years the Legal Committee has been berating them for getting by with only one lawyer, so they are now looking to add another attorney.

Mr. Keillor said that the front door is unlocked, but that has not been widely publicized. They plan to make that announcement and will need a receptionist to handle that traffic. He said they will also be adding two planners, both of which will be in the Long-Range planning area. One will be covered by a grant, and the other will be backfill for time that current staff will be spending on the grant.

Ms. Regan offered some more context on the new positions. Referring to her one-on-one conversations with every staff member, she will be compiling that feedback as part of the presentation for the work plan and budget next month. Her overall assessment in working with the executive team and the operations group is that we are understaffed. When she started working at TRPA, we had a headcount of around 90 employees, increasing to 100 with seasonal employees in some years. During the great recession, we cut a lot of staff, and we've never really right-sized the workforce for the volume of work that we have. She said we didn't really cut out any work, we've grown in the demands. The compact gives us a lot of responsibility. Ms. Regan added that they could

## OPERATIONS AND GOVERNANCE COMMITTEE

June 28, 2023

easily include new compliance officers and additional staff on the administrative side, but because they didn't really get enough new revenue to cover those additions, they are prioritizing these four new positions. She said the attorney position is something they've talked about for years, and that's really necessary. She said they also intend to launch a new public service program – the front lobby is currently being staffed by a temporary employee and they want to make that a permanent position. They will still utilize the online permitting that has been so successfully implemented. She added they have also formed a new customer service team as part of the organizational changes.

Ms. Regan said they will also soon be announcing an exciting new grant from the State of California that will support all the housing work that the board has directed us to do - to modernize our land use policies. That is going to require a lot more regional, long-range, thoughtful planning work.

Ms. Regan thanked the committee and the board for their flexibility in being able to bring this item forward. They really needed the extra time to work with individual teams to ensure that everyone is in alignment on the work plan, which informs the budget.

### Committee Comments/Questions

Ms. Aldean said she thinks that Mr. Keillor always plans a relatively conservative budget. She added that it's better to not anticipate receiving revenues, and then be surprised by the uptick in revenues coming into the general fund, or special funds.

### Public Comment

None.

## VI. [Recommend approval to Delegate authority to Executive Director to enter into contracts prior to approving the Fiscal Year 2024 TRPA budget](#)

TRPA Financial Director, Mr. Chris Keillor presented the item. Mr. Keillor said the one downside to waiting to finalize the budget is that they don't have a budget for the beginning of the fiscal year. So this is an administrative manner to delegate to Ms. Regan the authority to go ahead and execute on the contracts that they need to execute on before the approval of the budget next month. The staff report proposes that Ms. Regan be delegated the authority to enter into contracts up to 10% of last year's budget. Mr. Keillor said he asked the department managers what they need between now and the beginning of July budget. What they came with is a total of about 3 million dollars, which is considerably more than that 10%. The chart on slide 18 shows the breakdown which illustrates that the bulk of these contracts are actually going to be written against grants or against existing funding sources. So of these 3 million dollars in contracts, only about \$650,000.00 is actually coming out of the general fund.

Mr. Keillor said he would like to propose that they modify the staff recommendation to say that Ms. Regan be authorized to approve contracts up to a total of 1 million dollars out of the general fund, plus any contract that is funded by outside sources.

### Committee Comments/Questions

Mr. Di Chiara asked if that provision would be for all contracts moving forward, or just for this budget year. Mr. Keillor said it would basically just be for the next 30 days, we are not proposing to change policy. TRPA Attorney Mr. Marshall added that those contracts would usually be approved through the budget process. We are a month off, so we need authorization for Ms. Regan to enter into any contracts over the next 30 days while the budget is being finalized before presentation to the committee next month.

## OPERATIONS AND GOVERNANCE COMMITTEE

June 28, 2023

Ms. Aldean said she is of the opinion that is better not to approve a budget unless they're confident that the budget is representative of the needs, and is consistent with agency policy. So it's better to delay approving the budget than to have to come back and modify it at a later date. She said she thinks this is an appropriate interim measure.

### Public Comment

None

### Committee Comments

Mr. Di Chiara made a motion to recommend the Governing Board authorize the Executive Director to approve contracts not to exceed a total of 1 million dollars out of General Fund, plus any grant funded contracts, prior to the adoption of the FY 2024 budget.

Ayes: Ms. Laine, Mr. Hoenigman, Mr. Di Chiara, Ms. Aldean

### **Motion passed.**

## VII. Upcoming Topics

Mr. Keillor said that the FY 2024 will be the core of next month's meeting. He said they are tentatively thinking about canceling the Operations and Governance Committee in August, to allow as much time as possible for the scheduled North Shore tour.

Mr. Keillor informed that they had their lead in meeting with the auditors on June 25, 2023 and should have a letter for the committee shortly. This is the letter that defines the scope of the audit in terms of what they're doing and how they're doing it. The plan is for them to do the interim work now, then return in October for the final audit work, and then target for a presentation of the audited financial statements in December 2023.

In September, Arlo Stockham will deliver a presentation on Planning Process Improvements to the Governing Board. Mr. Keillor said that will include a few fee changes where Mr. Stockham a substantial differential between the current fee and the amount of labor that goes into processing the application. Ms. Aldean wanted to distinguish that this is not just an inflation adjustment, its to bring the fees into alignment with the cost.

Mr. Keillor added that at some point they would also like to propose they start incrementing the mitigation fees as well as planning fees.

### Committee Comments/Questions

Referring to the parking lot work and the retaining wall work, Ms. Aldean asked if they are anticipating being able to stay within the \$500,000.00 that is budgeted. Mr. Keillor said that the parking lot cost is coming in as expected but here is a question around the retaining wall. The current effort with the contractor is to squeeze their quote down to align with the available funds.

OPERATIONS AND GOVERNANCE COMMITTEE

June 28, 2023

Public Comment

None.

VIII. Committee Member Comments

None.

IX. Public Interest Comments

None.

VIII. ADJOURNMENT

Mr. Hoenigman made a motion to adjourn.

Ayes: [All]

Chair Ms. Laine adjourned the meeting at 9:01 a.m.

Respectfully Submitted,



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 <https://www.trpa.gov/meeting-materials/>. 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](mailto:virtualmeetinghelp@trpa.gov).*