

TAHOE REGIONAL PLANNING AGENCY  
OPERATIONS AND GOVERNANCE COMMITTEE

TRPA/Zoom Webinar

June 22, 2022

**Meeting Minutes**

I. CALL TO ORDER AND DETERMINATION OF QUORUM

Chair Ms. Aldean called the meeting to order at 11:28 a.m.

Members present: Ms. Aldean, Mr. Anderson (for Mrs. Cegavske), Ms. Gustafson, Mr. Hicks, Ms. Hill

Members absent: Mr. Hoenigman

II. APPROVAL OF AGENDA & MINUTES

III. Recommend Approval of May Financials

Mr. Chris Keillor, TRPA Finance Director, provided the presentation. He brought up a chart and explained that it shows that TRPA has exceeded its planning fee revenue budget for the year. This shows the high volume of activity in the Current Planning Division. It will also drive our assumptions for next year's budget. We have also achieved the AIS fee revenue forecasted as well. Annual renewal fees for buoy fees are due June 30<sup>th</sup>, so we anticipate a lot of those fees coming in this month. On the expenditures side we still struggle to fill our Data Analyst position. We have several other positions open right now. We are behind in some of our General Fund contracting activities, which is fairly normal for us.

Mr. Keillor then moved on to a chart showing performance against budget. We're within all our budget numbers. It's normal at this point to have a surplus because we receive state money up-front and spend it over the course of the year.

Mr. Keillor then brought up a chart showing the monthly/cumulative cash flow, explaining that our cash flow is strong. Normally we show a decline over the end of the year, but it all got shifted to the right this year because of the higher level of planning fees. We're also taking in a substantial amount of mitigation fees. We will be paying a lot of bills in July and August that really relate to this year.

Next, Mr. Keillor discussed assets, liabilities, and net assets. We're very, very strong here. The net assets didn't change this month.

Mr. Keillor concluded his presentation and asked for questions.

Committee Comments & Questions

Mr. Anderson asked for clarification on page 55. How is the highlighted area calculated? Mr. Keillor answered and explained that we have a surplus right now, but we were planning on a deficit. That is how that area on page 55 should be understood.

Public Comments & Questions

None.

Ms. Hill made a motion to recommend approval.

Ayes: Mr. Anderson, Ms. Gustafson, Ms. Hill, Ms. Aldean

**Motion carried.**

- IV. Recommend Approval for Release of Project 3 Transit Mitigation Funds (\$20,000 plus interest) for the South Shore Transportation Management Association Microtransit Service (action);

Kira Smith, TRPA Senior Transportation Planner, gave the presentation. Ms. Smith opened by providing background on Project 3. At the July 2006 meeting, the TRPA Governing Board approved Project 3, also known as “the hole in the ground”. The project was approved for mixed-use development, was partially constructed, and then went into bankruptcy. One of the permit conditions was for the permittee to participate in a public-private MOU to implement certain elements of TRPA’s short-range Transportation program and show how they would contribute to the coordinated transit system, CTS, a publicly and privately funded transit system at the time that served the casino corridor. The developer agreed to make a yearly \$10K contribution to CTS. Two payments were made before the project went bankrupt and the CTS system dissolved. The mitigation funds have been sitting in the account since then. TRPA is proposing to allocate the funds to the South Shore Transportation Management Association for their new microtransit service, “Lake Link”. Originally CTS wanted to operate it as a door-to-door, demand-based, rather than a schedule-based service. It will be free to the user. There are over 20 funding partners, listed in the packet. The SSTMA service is a modern version of CTS and it will serve the Stateline core, so we feel it is appropriate to allocate the funds to this service.

Ms. Smith concluded her presentation and asked for questions.

Committee Comments & Questions

Ms. Aldean asked Ms. Smith how they will prevent this on-demand, door-to-door service from being overwhelmed. Ms. Smith answered that the service is not meant to replace the fixed-route bus service currently in operation by TTD. The service begins July 15<sup>th</sup> and we don’t know what the demand will look like. There will be a van with a wheelchair lift, although Ms. Smith said she doesn’t know whether the system will prioritize people with disabilities.

Steve Teshara, Chair of the South Shore Transportation Management Association Board of Directors and consultant to Truckee North Tahoe Transportation Management Association, addressed the committee and thanked TRPA staff for their support and work. Mr. Teshara said there is an app-based way to reach out to the microtransit, and we’re coordinating that app with the TTD schedule. We’re looking for ways to interface with other transit systems on the South Shore, for instance in the winter with Heavenly. This is an exciting step forward for South Shore transit and we appreciate the Agency’s support.

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Ms. Hill added that she is very excited for the project.

Mr. Anderson asked how many vehicles and drivers we have.

Mr. Teshara answered that we are working with Downtowner, a company that is very experienced. Drivers are being hired and the vans are in place. Marketing materials have been launched. We feel positive and upbeat on our ability to roll this out. We're starting with four vans, two of which are handicapped-equipped and have bike racks and ski racks. We may want to expand if funding is available going forward. We are launching a year earlier than required. We'll see what the receptivity is. We want to make sure wait times for passengers stay as low as possible.

Ms. Gustafson pointed out that driver licensing can be a challenge. The great thing about micro mass transit is that it doesn't require that amount of licensing so retaining drivers is not as challenging.

### Public Comments & Questions

None.

Ms. Hill made a motion to recommend approval.

Ayes: Ms. Gustafson, Mr. Anderson, Ms. Hill, Ms. Aldean

**Motion carried.**

### V. Recommend Adoption of the Fiscal Year 2022/2023 Annual Budget (action);

Mr. Chris Keillor, TRPA Finance Director, gave the presentation. He started by giving recognition to TRPA's Controller Kathy Salisbury, and TRPA's Assistant Controller, Melissa Uppendahl, as well as TRPA Grants Manager Caroline Stutzman, for their hard work on the annual budget. Mr. Keillor explained that the biggest change between this year and next year is LTRA funding, and most of that is going to the Tahoe Keys demonstration project. That work is contracted out. Our big concern is inflation. We need an inflation adjustment in our State budgets and we're working on that for the Fiscal Year 2024 budgets. This year we did see some inflation in our insurance premiums. We won't know until November what those changes are, but we are assuming a 10% increase in medical insurance. Going forward we will see price increases in contracts. This affects our Work Plan and policy initiatives. Three new positions will be grant-funded. One new position will be paid out of Shoreline funds. We included a 5% staff salary increase. Typically we do not give a raise to anyone on a performance-improvement plan or anyone who has been with the Agency under six months.

Ms. Aldean and Ms. Gustafson pointed out that a 5% salary increase is pretty modest given that inflation is predicted to increase 10% next year.

Mr. Hicks asked what the typical salary increases have been historically.

Mr. Keillor said they'd originally planned for a 3% salary increase but realized it wouldn't be enough. Last year we moved money to do a 5% increase. Mr. Keillor then showed revenue sources and spending. The big increase is driven by the LTRA funds, so kudos to Dennis Zabaglo and Julie Regan. Contracts are a larger percentage of our spending because of this LTRA funding.

Mr. Keillor then showed a chart illustrating that general funds are in good shape. We have the money in there for the 5% salary increases, and we're spending more contracting dollars this coming year in the Research and Analysis division. There is a deficit in the planning funds with revenues not being enough to cover all the expenses. The planning fund is underwater because of an allocation of A&O funds to the planning fund. We could raise planning fees to close that deficit, but that would be pretty hefty increase in planning fees. The other thing we don't know is whether the planning activity is going to continue at the current high level, or is it going to go down. There is some evidence that the planning activities may have plateaued. If we see a recession, some of that activity may back off. Mortgage interest rates have skyrocketed. The Current Planning Department is still getting a very high volume of permits. We're going to do an 8.3% increase in planning fees at the end of January which is our normal cycle that will add to some of that revenue. We also increased the budgeted revenue higher than what it was last year. The Shoreline project fees we budgeted for this year were too high, so we adjusted them down. The cost of an annual buoy renewal goes into the Shoreline fund. Anybody who applies for a new buoy or new pier—that's a planning activity, and that goes into the planning fund. We will be coming back to you in the fall to validate the increase for the planning fees. Because of the MOUs and the delegations with the counties, their fees follow our fees, so we need 3 to 4 months to work through the fee increase with each of the counties so they can update their fee schedules as well. The Shorezone funds shows some negative, but we still have some funds left over, so we don't see any reason to transfer money from the general fund to cover that.

Mr. Keillor then moved on to a chart showing that grants are all balanced and neutral. AIS has grown substantially due to the LTRA. The \$8 million for AIS is a combination of grants, user fees, and funding from the states.

Mr. Keillor then discussed contracting by area. AIS is over half the contracting area. The next biggest area is R&A for data transparency and internal monitoring. For labor costs, the biggest areas are the general fund and Current Planning, then Transportation and R&A.

Finally, Mr. Keillor summarized his presentation by explaining that everything has been paid for; grants cover their own cost; the bond money will help cover the work we're doing on the building; we'll have carryover from the previous year to help balance the budget; and finally we'll dip into the Shoreline funds to cover that small deficit. Mr. Keillor then asked the Board to approve the budget.

Mr. Keillor concluded his presentation and asked for questions.

#### Committee Comments & Questions

Ms. Gustafson asked Mr. Keillor to confirm that there is a zero increase from California for this fiscal year. Mr. Keillor said yes, that's correct, the actual number we're getting from California is the same. Ms. Gustafson pointed out that our state funding is not keeping up with inflation by any means, and the majority of our general fund is state funding. Ms. Gustafson said she wants to advocate for those to be more realistic numbers, if not for this year then certainly for next year. We can talk to our state-appointed officials in both states. We're heavily dependent on those state contributions.

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Public Comments & Questions

None.

Ms. Hill made a motion to recommend adoption.

Ayes: Mr. Anderson, Ms. Gustafson, Ms. Hill, Ms. Aldean

**Motion carried.**

VI. Recommend approval of Compensation for Interim Executive Director, John Hester (action);

Ms. Angela Atchley, HR Director, gave the presentation. Last month the Board approved to recommend John Hester as interim Executive Director effective July 1, 2022. TRPA's policy and past practice is to increase an employee's compensation when they're asked to fill another position in addition to their current role for more than a few weeks. Therefore we are recommending a salary adjustment of 10% to reflect the new position.

Committee Comments & Questions

None.

Public Comments & Questions

None.

Ms. Hill made a motion to recommend adoption.

Ayes: Mr. Anderson, Ms. Gustafson, Ms. Hill, Ms. Aldean

**Motion carried.**

VIII. Recommend approval of Executive Director Selection Process and other related matters (action);  
***(item VIII taken before item VII)***

Mr. John Hester, TRPA COO, gave the presentation. Mr. Hester outlined the selection process. The first is establishing a committee. Ms. Gustafson will talk about that. Selecting a search firm. We have started doing this. We'll have stakeholder interviews to help the search firm that we select. Identify the characteristics of the ideal candidate. Job description: a preliminary job description has been prepared. The committee will then help set a package for the new Executive Director with salary, relocation, and any other benefits. We'll put in a separation package. Identifying candidate search sources, such as LinkedIn, will be something we have to do. Then there will be a screening and interview process. Our target is for this to take six months or less. Today, we are asking you to recommend, and Governing Board to approve, the approach. We'd like the committee to have a meeting in mid-July. We anticipate in August that we'll have an initial report and initial group of candidates, review them in September, then interview and in October make the final selection. The candidate will then need time to transition to TRPA, hopefully by January.

Mr. Hester said that for now, we have issued an RFP for the search firm and have already received one proposal. We will then select from the proposals and get a firm in place.

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Ms. Gustafson then joined in to say she's been working closely with a committee, including our chair Mark Bruce. With 15 Board members we can't have everybody who'd like to participate on the committee. What we recommend is myself as Vice Chair, Vince Hoenigman, Shelly Aldean as Chair of this committee, and Bill Yeates, and Jim Lawrence replacing Mark Bruce. So we have local and state government representatives, and both new members as well as tenured members. We'd like to have a recommendation from this committee.

Ms. Aldean assured the public that there will be ample opportunities for public input.

### Committee Comments & Questions

Mr. Anderson asked whether they've considered allowing somebody from the APC to be on the selection committee. Ms. Aldean pointed out that there are many who would like to be on the selection committee, but that may not be possible. However, there will be ample opportunities for public input on the process.

Ms. Gustafson added that hearing input from a variety of perspectives will be beneficial to the process and will strengthen our mission of collaboration.

### Public Comments & Questions

Shay Navarro, TRPA Stormwater Program Manager, commented that the TRPA Executive Director provides an essential link between the Governing Board and TRPA staff, and as such, some staff representation should be included in the selection process.

Ms. Hill made a motion to recommend adoption.

Ayes: Mr. Anderson, Ms. Gustafson, Ms. Hill, Ms. Aldean

**Motion carried.**

Ms. Gustafson made a second motion to recommend that the Governing Board appoint the listed members to the ad hoc committee.

Ayes: Mr. Anderson, Ms. Gustafson, Ms. Hill, Ms. Aldean

**Motion carried.**

## VII. Recommend approval of Executive Director, Joanne Marchetta Retirement Transition and Separation agreement (action); *(item VII taken after item VIII)*

Ms. Cindy Gustafson, TRPA Board member, provided the presentation. Ms. Gustafson explained that the agreement required a lot of balancing of various perspectives and input from many people. Ms. Gustafson said that she and Mark Bruce have brought forward a balanced and fair proposal. Ms. Marchetta will remain employed at 60% until January 6, 2023 as a Senior Advisor. The Cobra premiums will be paid through August, 2023. Accrued leave balances will be paid at the end of that employment period. The Agency has had a long history of sometimes not being able to pay any salary increases. Seven or eight years out of 13, Ms. Marchetta did not receive any sort of incentive or salary increase. We wanted to look at this in terms of a career incentive, to recognize the accomplishments of 13 years and the many years of not being able to adjust for the workload, the stress, the leadership, the wisdom that has brought us to this point. So we're recommending a \$20,000 performance bonus to be paid in January at the separation.

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Ms. Gustafson said she speaks for Mark Bruce in saying we appreciate that Ms. Marchetta has found a middle ground in balancing issues. We want to recognize Ms. Marchetta for her tremendous leadership of this Agency.

Ms. Marchetta said she was fully in support of the agreement and appreciated the work that went into it.

### Committee Comments & Questions

Mr. Anderson asked about the date of January 2023 and whether that would give sufficient time for the transfer of knowledge necessary and the hiring of a new Executive Director. Ms. Gustafson replied and agreed that it could potentially be years before a new Executive Director is found. Ms. Gustafson went on to say that Ms. Marchetta has expressed willingness to work with the new Executive Director even after the formalized employment ends and, depending on what is needed, perhaps on a contractual basis. It is hard to predict now and depends on the time it takes and the candidate who is selected.

Ms. Hill thanked Ms. Marchetta for her work and said she's excited to know they may be building in a contract to work with a future Executive Director.

Mr. Hicks concurred with Ms. Hill's comments, adding that Ms. Marchetta has been wonderful to work with. Mr. Hicks thanked the Board members who are taking on this task.

### Public Comments & Questions

None.

Ms. Gustafson made a motion to recommend approval.

Ayes: Mr. Anderson, Ms. Gustafson, Ms. Hill, Ms. Aldean  
**Motion carried.**

## IX. Upcoming Topics

Mr. Chris Keillor, TRPA Finance Director, said that the only item to be discussed is a proposal to cancel the July Ops Committee meeting, saying it is best not to do financials in July because it gives people the impression that it's for the whole year. He proposed that unless there is another issue the Committee wants to take up, they cancel the July Ops Committee meeting.

### Committee Comments & Questions

None.

### Public Comments & Questions

None.

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X. Committee Member Comments

Mr. Scott Anderson announced that on Friday there is legislative committee for the review and oversight of the TRPA and the Marlette Lake water system at 9am in Room 3138 at the Legislative Building in Carson City. Ms. Marchetta then clarified that this meeting is not related to any matters concerning Transportation. For those matters there will be a subsequent session on July 15<sup>th</sup>.

Ms. Gustafson asked Mr. Keillor about the work he'll do preparing our budget request for the state. It would be helpful at the August meeting to see the history of state contributions specific to the general fund. Ms. Gustafson said she wants to make sure she understands what both states have done historically. Mr. Keillor agreed to bring this information to the August meeting.

XI. Public Interest Comments

None.

XII. ADJOURNMENT

Ms. Gustafson made a motion to adjourn.

Ayes: [All]

Chair Ms. Aldean adjourned the meeting at 12:46 p.m.

Respectfully Submitted,

Georgina Balkwell  
Senior Management Assistant  
Current Planning Division

*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).*