

**CLARK COUNTY BUILDING DEPARTMENT
BUILDING ENTERPRISE FUND ADVISORY COMMITTEE (BEFAC)**

CCBD Conference Room 1116
June 27, 2024

MINUTES

MEMBERS/ALTERNATES PRESENT:

Shawn Danoski	DC Building Group
Jordan Krahenbuhl	Plumbing, Heating, Cooling Contractors of NV (PHCCNV)
Theresa Atimalala	Clark County Senior Management Analyst, Building Dept
Jessica Colvin	CFO, Clark County Finance Department

MEMBERS/ALTERNATIVES NOT PRESENT:

Amanda Moss	Representative of the Residential Construction Industry
Ann Barnett	Nevada Contractors Association (NCA)
Sonny Vinuya	Las Vegas Asian Chamber of Commerce
Anna Danchik	Clark County Finance Department

STAFF PRESENT

James Gerren	Clark County Building Department
Timothy Baldwin	Clark County District Attorney
Sandy Miller	Clark County Building Department

GUESTS IN ATTENDANCE:

No guests in attendance

In Compliance with the Open Meeting Law. The meeting of the Building Enterprise Fund Advisory Committee was called to order at approximately 2:05 p.m. by James Gerren, and a quorum was confirmed. Jim Gerren opened the meeting and requested to remove Item VII ("Operation Funding Request") from the agenda. A motion was made by Jordan Krahenbuhl to remove Item VII from the agenda, seconded by Shawn Danoski, and passed unanimously.

- I. Introductions.** The meeting was called to order by Jim Gerren. Members present, Shawn Danoski, Jordan Krahenbuhl, Theresa Atimalala and Jessica Colvin. Jim Gerren noted that Amanda Moss had indicated that she was planning to attend the meeting with the intention to resign from BEFAC, but has not arrived, and that Bill Ham, current Chair, is no longer with MGM Resorts and will not be back on the committee. District Attorney Tim Baldwin stated that the Commissioners may have to appoint the next Chair unless Bill Ham had appointed an alternate. Theresa Atimalala stated that the last designated alternate was Nat Hodgson, whom the Commissioners appointed Amanda Moss to replace following his unfortunately passing. The committee nominated Jordan Krahenbuhl for the Chair position. The Building Department will post a call for applications to fill the seat potentially vacated by Amanda Moss and the seat vacated by Bill Ham, and when we take the list of applications to the Board for their appointments, we will ask them to appoint a Chair at that time, with the committee's recommendation for Jordan.

Public Comment Period. There were no public comments.

- II. **Review of Minutes.** A motion was made by Jordan Krahenbuhl to approve the minutes from the previous BEFAC meeting on November 7, 2022, seconded by Theresa Atimalala, and passed unanimously.

III. **Financial Update.**

- Enterprise funds. Jessica Colvin shared a PowerPoint presentation based on the June 30, 2023, audited numbers. Jessica stated that this audit was just completed in February of 2024. In total, from FY22 to FY23 we increased total assets by \$93.6 million, a large portion of which is going to be in our current assets. We have Deferred Outflows related to pensions, which includes pension liability at \$11.8 million and noncurrent liabilities at \$32.8 million. Those both relate to our pension liability and our retiree health liabilities. Jessica indicated that since the Building Fund is an Enterprise Fund, it is unlike other government funds, and we have to put the full value of the liabilities on the balance sheet. The Building Enterprise Fund ended FY23 with a net position of \$43.3 million with a slight decrease from FY22 (\$46.6 million), which Jessica said she is not concerned about. A lot of that change is in the pension liabilities and the non-current liabilities. Jessica noted that included in the \$67.6 million current assets is designated cash, which seems large and seems like it might be over reserved, but we are comparing that to future capital projects. Jessica stated that we want to designate enough cash so that we can fund projects over the next five plus years. From July 1, 2022, we had 25.7 million in designated cash, and this committee had authorized the designation of \$5.9 million. Since then, we've had capital expenses for technology replacements and building enhancements. We currently have a designated cash balance of \$29.9 million. For existing projects that are funded we are committed for \$23.8 million but we have future projects on the books of \$32 million that have not come to this committee yet, although Jim has identified them. These are items that will come to the committee in the future when we are closer to doing the work. Looking at the five-year capital plan, Jessica indicated that it remains unfunded by \$26.1 million, which she said is fairly typical. Jessica stated that we do not need to fund the entirety of the five-year plan, but it is something to keep in perspective when evaluating our cash balance. Jessica presented a listing of funded and unfunded projects which explain what the designated cash is being spent on, and what projects are on the five-year capital plan. The primary liabilities in this fund, besides accounts payable, are unearned revenue. We had many large projects in FY23 creating unearned revenue so you will see a spike at the end of FY23. Going into FY24 those larger projects are winding down. Income Statement: Operating revenues have increased slightly from FY22 to FY23 and there is a large increase in operating expenses in FY23 mainly due to employee benefits. There was a large increase from \$2 million in FY22 to \$7 million in FY23, which includes the pension liabilities. Net income was at \$3.8 million in FY22 compared to \$1.7 million in FY23. The decrease primarily relates to the GASB 68 pension adjustments and GASB 31 for investment values. Working Capital: NRS requires that if your working capital is more than 50% of your operating expenses, the Board should look at reducing fees. We have been hesitant to do that knowing that we have capital obligations in the future. FY23 excess working capital is at \$1.6 million.
- Recommendation. Jessica stated that Finance does not feel the excess working capital of \$1.6 million warrants a reduction in fees, but that we do not need to make another allocation for debt capital. She would like to wait and look at the results from FY24. Next time this group meets, we will look at the FY24 numbers and make a recommendation. Overall, the fund is healthy. Shawn Danoski asked

where the funds are held. Jessica explained that funds are regulated by statutes, and it is invested in the safest, non-risk types of investments. The fund is pooled with the Treasurer's pool.

IV. Department Update.

- **Performance Data:** Jim Gerren gave a PowerPoint presentation providing performance data comparisons of FY18 through May of FY24 of building permits issued (residential, commercial and revisions), completed building inspections, building inspections activity, and building inspection rollovers. We're above where we were last year at this time in terms of the number of permits we've been issuing mostly due to commercial activity. Residential has remained fairly even relative to last year. He expects the FY24 numbers will be above last year in terms of net results. Jim pointed out around December to February 2024, we went way down in permit activity due to the impact of inflation and interest rates on the residential market. SNHBA and their members greatly reduced the number of permits they were applying for tract homes. This caused a pretty significant dip in the numbers. Shawn Danoski asked if it would be beneficial to break out residential and commercial permit numbers for this presentation. Jim explained that the Enterprise Fund is modeled to take advantage of the commercial projects, so the large resort projects carry us. We actually lose money on most tract home permits. Shawn thinks that if we track quantities differently by breaking out commercial/residential, it may help forecasting. Jim said that he will look into doing that. We are still doing well with inspection activity. This past May we were well above previous years, and we are in line with historical trends. If anything, we're on the uptick due to some large projects that we recently finished out. Even with the flat residential tract homes inspection activity, it's still a large volume of inspections on a daily basis. We're in a good place with inspectors right now. We can handle 50 inspections a day but long-term it burns the inspectors out and creates a lot more overtime. Currently we're in the 28 to 30 inspections per day per inspector since we have been hiring, which is a good spot. Rollover totals are extremely low which is in line with the number of inspections per inspector. We try not to rollover any tract home inspections because that can delay a whole crew an additional 24 hours. We have a system in place where we contact anyone who will be subject to a rollover. We are under 1% right now for rollovers. We track this anecdotally with the contractors, SNHBA, and NAIOP, and they are very happy with our Inspections Division right now. We are doing very well on the plan review side. For FY24 overall, we are at over 97% on-time. We consider on-time to be successful if we are at 90%. We are ahead of our goals on every category. The one we are closest to 90% is the Standard Plans category. We are getting positive feedback from the homebuilders on our turnaround times.
- **Staffing Update:** Jim Gerren provided a PowerPoint presentation that showed the key vacancies and new hires within the Building Department. We currently have 155 team members with a vacancy rate of 8.3%. We have interviews scheduled in July for three different inspection positions and if we fill those positions we will drop below 5% vacancy. All manager and supervisor positions are filled, so we have a healthy team in place. Our biggest challenge has been recruiting inspectors (all levels). HR is using new aggressive tactics such as ACI & ICC advertising and a HR booth at EduCode. The County's salary rate does not really compete with the private sector right now, but we do have great benefits and work four (4) ten-hour days. Our department currently has the lowest vacancy rate in the County. Shawn Danoski asked if we have noticed a certain tenure that people tend to stay. Jim feels that millennials or the younger team members don't really look at a 30-year career here as something they are interested in. People

who have longevity or are vested seem to stay for the most part. Jessica added that countywide, the majority of voluntary separations are between 1 and 3 years.

- New Hires FY24

- Administrative Secretary - Jen Collins
- Building Inspector I – Zakary Carrozza
- Building Inspector I – Jared Tusko
- Building Inspector I – Juan Godinez
- Building Inspector I - Robert Cave
- Building Inspector I/II - Jeffery Silhacek
- Building Inspector I/II - Robert Reese
- Building Inspector I/II - Kenneth Rankin
- Building Inspector II – Randy Parker
- Building Permit Specialist – Troy Wilson
- Building Permit Specialist - Brandi Fernandez-Reyes
- Building Permit Specialist - Brooke Vanderslice
- Building Permit Specialist - Gina Cunningham
- Building Permit Specialist – Jenifer Cizneros
- Building Permit Specialist – Fuyang Zhang
- Commercial Combination Inspector – Michael Haro
- Office Specialist – Hope Nobles
- Plans Examiner Specialist – Allen Burris
- Plans Examiner Specialist – Jonathan Braunshweiger
- PT MA – Bitu Ebrahimi
- PT MA – Troy Shaaf
- Senior Engineer/Architect – Edgar Surla
- Senior Engineer/Architect – Omar Saleh
- Senior Financial Office Specialist – Ashley Angelo
- Senior Office Specialist – Summer Masden

- Offers Pending Background Check:

- Senior Engineer/Architect
- Building Permit Specialist
- Office Assistant I/II
- Building Inspector I/II (2)
- Senior Building Inspector

- Promotions

- Ralph Chavez – Supervising Building Inspector
- Justin Norfleet – Senior Engineer Architect
- Abebe Tadesse - Principal Engineer/Architect
- Tommie Franklin – Commercial Combo Inspector
- Robert Eldridge – Commercial Combo Inspector
- Robert Sidebottom – Commercial Combo Inspector
- Kaitlyn Kole – Plans Technician
- Lisa Mohit – Senior Management Analyst
- Danielle Brown – Plans Technician
- Patricia Armstrong – Admin Specialist/Fleet Coordinator
- Steven Cucinella – Senior Building Inspector
- Summer Masden – Building Permit Specialist
- Marc Fernandez – Senior Engineer/Architect
- Travis Lewis – Senior Building Inspector
- Zakary Carrozza – Senior Building Inspector
- Jennifer Rice – Supervising Records
- Dennis Wright – Senior Records Technician

- Additional Funded Positions (14)
 - Administrative Specialist
 - Sr. Building Inspector (Field) (4)
 - Sr. Building Inspector (Structural) (2)
 - Associate Engineer
 - Building Inspector (Field) (2)
 - Building Inspector (Structural) (1)
 - Commercial Combo Inspector
 - Senior Office Specialist
 - Senior Management Analyst

Jim Gerren added that we have requested some supplemental positions for the FY25 budget, but the County has not made any decisions about those yet. Shawn Danoski commented that staffing seems to be in a healthier spot than all the years he's been on this committee. Jim mentioned some upcoming projects, such as the Hard Rock Guitar shaped tower, the complete remodel of the Mirage, Center Strip, Showcase 5, and in the future we may have the Oakland A's, and the recently announced LVXP resort project on the land formerly planned for Jackie Robinson's All Net Arena project, Convention Center is doing a large remodel, Durango Station is going before the Board for Phase II, and we're finishing out other projects. If some of these large projects come to fruition, we are going to need all these positions filled. Jessica also discussed the Energage Survey that the County has implemented the last three years, which measures employee engagement, and the Building Department's results were one of the highest in the County.

V. Capital Improvement Project Update. Jim Gerren provided a status on previously approved capital improvement projects.

- Chiller Replacement: \$2,385,150 (Ryan Mechanical)
 - 99% complete (ANTP July 2023)
- Lighting Control System Replacement & LED Fixture Replacement: \$3,133,485 (Sturgeon Electric)
 - 70% complete (ANTP August 2023)
- Covered Parking: \$6,367,627 (SHF International with Baja Construction)
 - 0% complete (ANTP March 2024)
 - Phase I (of 3) to begin in August or September
 - For employees only
 - Solar aspect was removed from project due to cost
 - The structure is designed to support future solar
- Miscellaneous Space Improvements
 - PAC cubicle reconfiguration; IT cubicle expansion/reconfiguration; Records area modifications; various office reconfigurations
- Recently Completed Projects
 - East Employee Restrooms
 - Security camera system upgrades (and reductions)
 - Data room cooling
 - Exterior joint caulking/repairs
 - Parking lot assessment

- Planned Work Intentionally Delayed
 - Parking lot restriping
- 5- and 10-Year Space Utilization Study
 - Carpenter Sellers Del Gatto Architects
 - Initiated in December 2022
 - Schematic drawings presented to RPM in January 2024
 - RPM preliminary cost estimate: \$102,044,405
 - CCBD presentation to CC Long Range Planning Committee 6/26/2024.
 - Design included a two-story addition on the west side of the building, with a one-story smaller addition to the front of the building for another presentation room.
 - Estimate does include all the furnishings as well.
 - Jessica Colvin pointed out that other departments in the building would be responsible for their percentage of the cost or they may move to other locations. That is up to the County Manager.
 - The Building Enterprise fund would only be used to cover what is reasonably associated with building department functions.

VI. Accela & Electronic Submittal process Update. Jim Gerren explained the County migrated Accela hosted cloud-based servers and upgraded to Accela's latest and greatest version in November of 2022. The migration went smoothly for the most part. We have noticed increased stability and reliability. We get quicker responses from Accela to fix things. It's still not perfect, but they try to resolve problems as quickly as possible. The problems we generally have are not County problems; they are problems with the vendor.

- Residential Standard Plans
 - Fire Chief got an ordinance approved to require sprinklers in all new residential construction effective in March of 2024.
 - Builders may submit sprinkler application with MPEs or defer.
 - Deferral requires sprinkler plans to be submitted as a revision after the standard plans are approved.
 - Homebuilders were part of beta testing for the program.
 - Required for all new homes in our jurisdiction whether the property is served by a public water utility or a well.

VII. Economic Outlook from BEFAC Members.

- Commercial Development Industry: Representative Shawn Danoski expressed the Industrial market outlook is confusing right now. Looking at historical trends and data, interest rates, and credit card debt, the indicators still show growth. He feels there is a pause in new development because developers appeared to stop purchasing land when the rates went up, but our permit numbers haven't shown a drop yet. He is expecting a drop in some of the market types but hasn't seen it yet. With the abundance of industrial space coming from North Las Vegas later this year, that may create a slowdown in that market type by pushing resources to other areas of construction. The manpower and materials could help that and stabilize construction costs and if we stabilize costs, we can promote more construction. He is encouraged looking forward, even with the backlog dropping, but not to a dangerous level. He feels the analysis of commercial vs. residential permits will help in our forecasting. What would really help our economy continue to grow is efficiency navigating the public agencies across the valley; obtaining permits is becoming very complicated and that is pushing out development starts. When talking about development, construction, and approvals, timelines are very critical. He has seen

delayed timelines on getting approvals cause projects to die, due to the carrying cost for some customers. Jim Gerren added that the County is aware of some of the issues with this and the Commissioners have stressed that we (countywide) need to help the developers get through the process quicker. The Building Department is focusing on getting the plan reviews, things that we can control, done quickly.

- Residential Construction Industry: Representative Jordan Krahenbuhl explained that service always seems to be strong; people are remodeling and fixing and that seems to never stop. The interest rates have affected the residential market but nothing to be excited about. They are doing extremely well in multi-family projects. Commercial including prevailing wage, hospitals, prisons, and schools, they are still doing very well. Jordan feels that the one thing that would help the single-family market would be to change the interest rates. Construction costs and labor costs have stabilized a little bit. It seems to be getting better. They opened a new training center in March and are very excited about that. They just took in 32 first year apprentices including 3 females. In their third-year apprentice competition this year, they had their first female competitor and next year she will be their first female graduate. They are extremely proud of her. Jim Gerren stated that CCBBD sent eight employees to the SNHBA Market Update Lunch yesterday and Applied Analysis was the presenter on the residential market. CCBBD Staff reported that the speaker was very enthusiastic about the prospects for the residential market to be very strong in the coming years. The biggest issue he highlighted was land. So, unless BLM releases more land for sale or auction, this could cause a strain.

VIII. Proposed items for future agendas.

- Discuss recruitment for two (2) vacant positions on the BEFAC.
- Work on breaking out commercial and residential permit data in our performance data reporting.
- Review FY24 Data
- Revise By-Laws

IX. Set next committee meeting time and location. Next meeting will be sometime in October 2024. Sandy Miller will send out Doodle meeting scheduler to determine date and time.

Public Comment Period. There were no public comments.

Seeing as there are no public comments, the meeting was adjourned at 3:41 p.m.

- 1) Approved
- 2) Signature S. Miller
- 3) Approval Date: October 3, 2024