

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

CCBD Conference Room 1116
November 7, 2022

MINUTES

MEMBERS/ALTERNATES PRESENT:

Nat Hodgson, Vice Chair	Southern Nevada Home Builders Association (SNHBA)
Shawn Danoski	DC Building Group
Jordan Krahenbuhl	Plumbing, Heating, Cooling Contractors of NV (PHCCNV)
Ann Barnett	Nevada Contractors Association (NCA)
Jessica Colvin	Clark County Finance Department

MEMBERS/ALTERNATIVES NOT PRESENT:

William Ham, Chair	MGM Resorts
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
James Oleniczak	Clark County Building Department
Theresa Atimalala	Clark County Building Department
John Advent	Clark County Real Property Management
Dan Rakers	Clark County Real Property Management

GUESTS IN ATTENDANCE:

Amanda Moss, Southern Nevada Home Builders Association (SNHBA)

In Compliance with the Open Meeting Law. The meeting of the Building Enterprise Fund Advisory Committee was called to order at approximately 3:40 p.m. by Nat Hodgson, BEFAC Vice Chair, and a quorum was confirmed. Nat Hodgson opened the meeting.

- I. Introductions.** The meeting was called to order by Vice Chair Nat Hodgson. Members present, Nat Hodgson, Shawn Danoski, Jordan Krahenbuhl, and Ann Barnett. Jessica Colvin attended meeting remotely via telephone. A quorum was confirmed.

Public Comment Period. There were no public comments.

- II. Review of Minutes.** A motion was made by Jordan Krahenbuhl to approve the minutes from previous meeting on May 23, 2022, seconded by Shawn Danoski, and passed unanimously.
- III. BEFAC roles and responsibility overview by District Attorney.** District Attorney Tim Baldwin provided a BEFAC Advisory Handbook to the committee which consists of the Advisory committee's role, relevant authority, Statutes, and BEFAC By-Laws. Provided responses to commonly asked questions: BEFAC is only an advisory board. The committee may issue opinions and recommendations to the governing

body of local government, without limitation. Does not have the ability to mandate. Responsible to assist Clark County with meeting fiduciary requirements set forth in NRS 354.59893.

IV. Financial Update.

- Designated Cash. Jessica Colvin presented a summary which provided an unaudited financial update of the designated cash balance through FY22. The summary provides activity through FY22 approved by Board of County Commissioners based on BEFAC's recommendations: \$9.2 million was designated as restricted cash for capital improvement at BCC 07/01/18, \$15.9 million designated as restricted cash for capital improvement at BCC 04/07/20, and \$5.5 million designated as restricted cash for capital improvement at BCC 11/16/21. The total designated cash balance as of June 30, 2022, is \$25.7 million, \$11.8 million remaining for project commitments, and \$43.3 million for unfunded projects. The 5-year capital plan remains unfunded in the amount of \$29.4 million.
- Enterprise funds. Jessica Colvin presented a PowerPoint presentation which provides NRS requirements if the enterprise fund's working capital exceeds 50 percent of annual operating costs and capital expenditures for 2 consecutive fiscal years, statute requires building department to reduce fees. Working capital defined as the excess of current assets over current liabilities, however, if there's designation for special use, such as capital projects, it must be identified as a restricted asset and not included as a current asset in calculation of working capital. Legislative Bill was also passed in last session allowing Board to fund construction of new fire stations if necessary and if doesn't go into less than 50% of annual operating costs. Total net position has decreased from \$52.4 million 2021 audited to \$46.6 million 2022 unaudited, primarily due to the \$10.3 million transfer for the fire station construction at the last legislative session. Current assets at \$69.8 million in 2021, decreasing to \$61.9 million in 2022. Deferred Outflows of Resources, which relates to long-term pension obligations decreased from \$3.2 million in 2021 to \$8.3 million in 2022. Current liabilities of \$19.9 million in 2022, of that, \$15.6 million in unearned revenue on projects and process. Designated cash balance started with designated cash of \$21.6 million, the board designated 5.5 million, with the recommendation from committee. FY22 incurred \$1.3 million in expenditures in building enhancements. For an ending designated cash balance of \$25.7 million. Income statement provided for FY23 budget, with FY22 unaudited and FY21 audited. Operating revenue steady growth FY23 budgeted at \$29.3 million. Operating expenses show significant increases from FY21 at \$12.1 million to FY22 actual at \$13.6 million to FY23 Budget \$16.4 million, due to FY23 Budget includes all positions filled. Services and supplies are budgeted at \$11.8 million, historically this has been lower, but to avoid a budget violation, under the worst-case scenario, building department should have the budget appropriations available to funnel expenses as needed. Overall budgeting a \$6.9 million loss, however not expected to occur historically. Working capital includes current assets less the designated cash. FY21 designated cash increased to include the \$5.5 million designated for capital improvements and \$10.3 million transfer for fire station construction. Unrestricted current assets for FY22 at \$36.1 million, less current liabilities of \$19.9 million to arrive at working capital of \$16.2 million for FY22. Compare working capital to 50% of operating expenses of \$14.6 million for excess working capital of \$1.6 million. We do not have two consecutive years of excess; therefore, we are in compliance with NRS statutes.

- Recommendation. Finance recommends designating 20% of the remaining unfunded capital plan in FY23 for an increase of \$5.9 million in designated cash for a designated cash balance of \$31.7 million. Unfunded projects will still be presented to BEFAC before BCC recommendations. This is only a designation, not restricted. If there was a down turn in the economy and the funds in some type of operational downturn, this cash could be re-designated with the request to the board for operations until stable condition reached.

Shawn Danoski requested footnote on income statement as clarification to indicate operating expenses is a projection of zero vacancies and 100% staffed.

BEFAC has no objections to the recommendation to designate \$5.9 million for future capital improvements.

V. Department Update.

- Performance Data: Jim Gerren presented PowerPoint presentation providing performance data comparisons of FY18 through FY23 of building permits issued (residential, commercial and revisions), completed building inspections, building inspections activity, and building inspection rollovers. 12% permit issue drop from last year. Performance still higher than where we were 5 years ago. Still very busy. Inspections up 12%, similar to last year's data. We are hiring and training new inspectors, also using third-party agencies to supplement our staff to limit number of rollovers. Averaging 35 inspections per inspector a day, peaks at 50 due to staffing. Generally, have 10-20 rollovers and manage these selectively.
- Staffing Update: Jim Gerren presented PowerPoint presentation which provided the key vacancies and new hires within the Building Department:
 - New Hires
 - Associate Engineer (3)
 - Building Inspector I (2)
 - Building Permit Specialist I (4)
 - Building Plans Examination Spec
 - Fire Protection Engineer
 - P/T Management Assistant (3)
 - Records Technician
 - Senior Engineer / Architect
 - Senior Management Analyst
 - Senior Office Specialist
 - Promotions
 - Jake Mizrahi - Engineering Manager
 - Shannon McEwen - Building Permits Manager
 - Stacey Rainwater - Supervisor Building Permit Spec
 - Terry Kozlowski - Manager Plans Examination
 - Werner Hellmer - Assistant Director
 - Offers Pending Background Check:
 - Assistant Manager Building Permits
 - Senior Engineer/Architect
 - Current Recruitments:
 - Admin. Specialist (Fleet/Facilities Coordinator)
 - Assistant Manager Plans Exam

- Building Permit Specialist I/II
- Building Plan Exam Specialist (2)
- Deputy Building Director
- Office Specialist
- Senior Management Analyst (Budget)
- Sr. Building Inspector (Inspections) (2)

- Positions Seeking Authority to Recruit:
 - Bldg. Plan Exam I / II (2)
 - Building Inspector I/II (2)
 - Records Technician
 - Sr. Building Inspector (Eng.)
 - Office Assistant II (2)

- Funded Positions in Holding
 - Administrative Specialist
 - Sr. Building Inspector (3)

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

- East Restrooms - Administrative notice received to proceed. Pending contractor's start date. Delay due to redesign of existing utilities. Expected construction 2- 3 months.
- Security Cameras – Due to existing administrative guideline violations of camera locations in work areas and break rooms, contractor issuing credit for cameras that were ordered. Removing existing cameras and changing cameras in lobby and exterior of building. Expected by January 2023.
- Lighting LED Control Panel Upgrade – Bid was just sent out, expected start of construction March 2023.
- Carpet Replacement – Almost complete. PAR room was not included in original scope of work, had to obtain approval and provide additional funding. 6 month job, everyone involved did a great job.
- ADA Code Accessibility Study – Still pending final report. However, many existing ADA problems will be resolved with potential future capital improvement projects.
- Chiller Replacement & Data Room Cooling – Going out to bid by the end of this month.
- Exterior Joint Sealant Replacement – Job started this week.

VII. Accela & Electronic Submittal process Update. Jim Gerren explained County migrated Accela hosted servers into the cloud, upgraded to Accela's latest and greatest version. Go-live was this weekend and the migration has gone smoothly for the most part. Public access and most of the plan review and inspection scheduling is working and stable. The upgrade is expected to improve software glitches and

system crashes. Electronic submittal is being streamlined as much as possible, but still cumbersome compared to the over-the-counter windows of the past. Still working on a solution, however our turn-around times are still good compared to other jurisdictions. We are open to ideas of over-the-counter solutions; however, we are meeting our turn around goals.

VIII. Operation Funding Request.

- Increase Funding for Employee Appreciation Meal Events to \$2,000 per fiscal year due to inflation and increase of staff.

Jordan Krahenbuhl motioned to approve, seconded by Ann Barnett, and passed unanimously.

IX. Economic Outlook from BEFAC Members.

- Commercial Development Industry: Representative Shawn Danoski expressed Industrial market is busy and continues to grow faster than resources can provide for construction. Challenges have been permitting and approvals. The jurisdictions are so different, almost creating strategies on where industry develops, because of the permitting process. Not all departments are in sync and it creates challenges for development. Some are going elsewhere and some are pausing waiting on interest rates and the elections. Uncertainty for the next six months.
- Residential Construction Industry: Representative Jordan Krahenbuhl explains commercially the industry is doing very well. Residential is showing decline. Supply chain still has its challenges; however, pipe manufacturing might be coming down in price. Labor is still an issue. Also having issues with plumbing and HVAC plans at all jurisdictions. However overall, still fairly busy.
- Residential Construction Industry: Representative Nat Hodgson explains residential construction is down by nearly 60%. Monthly permits down from 1400 permits a month to 398 permits a month, due to interest rates. For pricing to stabilize it starts with the land, no parcels were bid on at the recent Clark County Aviation land auction. Elections should also be a determining factor for industry. County inspection count will come down drastically.
- Construction Industry: Representative Ann Barnett expressed construction industry is looking very busy for the next few years. Infrastructure is coming in and tourist are coming in, helping bomb our economy from pandemic. Working on the upcoming Legislative spring session. Contractors are very busy and not seeing any slowdowns.

X. Proposed items for future agendas.

- Redline BEFAC By-Laws for new signatures.
- Capital Improvement Updates

XI. Set next committee meeting time and location. Mid-March 2023, after Educodes. Committee prefers conference room #1116, over presentation room.

Public Comment Period. There were no public comments.

Seeing as there are no public comments, the meeting was adjourned at 5:09 p.m.