

CLARK COUNTY DEPARTMENT OF BUILDING & FIRE PREVENTION  
BUILDING ENTERPRISE FUND ADVISORY COMMITTEE (BEFAC)

CCDB&FP Presentation Room  
February 24, 2020

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MINUTES

MEMBERS/ALTERNATES PRESENT:

Jessica Colvin	Clark County Finance Department
Ed Zagalo	Clark County Finance Department
Shawn Danoski	NAIOP
Nat Hodgson	Southern Nevada Home Builders Association
Sean Stewart	Associated General Contractors (AGC)
Amara Vigil	Clark County Department of Building & Fire Prevention

MEMBERS/ALTERNATIVES NOT PRESENT:

Bill Ham, Chair	MGM Resorts
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STAFF PRESENT:

Jerry Stueve	Clark County Department of Building & Fire Prevention
Sam Palmer	Clark County Department of Building & Fire Prevention
Girard Page	Clark County Department of Building & Fire Prevention
Werner Helmer	Clark County Department of Building & Fire Prevention
Christina Card	Clark County Finance Department
Theresa Atimalala	Clark County Department of Building & Fire Prevention

GUESTS IN ATTENDANCE:

None

**In Compliance with the Open Meeting Law.** The meeting of the Building Enterprise Fund Advisory Committee was called to order at approximately 2:03 p.m. by Acting Chair, Nat Hodgson, Southern Nevada Home Builders Association, and a quorum was confirmed.

**I. Introductions**

**Public Comment Period.** There was no public comment.

**II. Review of Minutes.** A motion was made to approve the minutes from previous meeting on August 21, 2019 by Sean Stewart, seconded by Ed Zagalo and passed unanimously.

**III. Financial Update.**

- a. Enterprise funds. Jessica Colvin presented PowerPoint presentation which provided an audited financial update of the department's FY18 and FY19 ending working capital calculated under statutes. Current assets have increased to \$58.8

million, primarily due to cash and investments and receivables. Liabilities increased to \$21.7 million primarily due to unearned revenue. The end net position increased from \$27.6 million to \$4.9. Operating Revenues increased due to revenue on significant projects and recent surge in the economy. Operating expenses stayed relatively flat. As a result net income increased from \$4.6 in 2018 to \$12.8 million in 2019. Estimates for FY20 are trending at Operating Revenues increasing to \$33.2, Operating Expenses to remain the same, and net income of \$4.0 million. Five-year Capital plan for FY21-FY25 totaling \$24.5 million. Working capital increased from \$15.5 to \$27.3 due primarily to increase of current assets. However, FY18 County Commissioners designated \$9.2 million as cash reserve for future capital plan, which was paid from Department of Air Quality for purchase of their space as one-time revenue.

- b. Recommendation. Finance recommends and proposes instead of reducing fees, based on the 5 year capital plan to use the excess cash we have today to have the Board of County Commissioners designate that for future capital needs which will then reduce the FY19 proposed deficient working capital from -\$571,135 to zero, which is required by statute. Reducing fees in this height of economic boom, would be shortsighted, as the larger projects will drop off. However, if fee reduction pursued, maximum fee reduction of \$6.5 million is advised before resulting in a structural deficit. NRS 354.59891 section 4(d) includes, any amount designated for special use, including without limitation, prepaid fees and any other amount subject to a contractual agreement, must be identified as a restricted asset and must not be included as a current asset in the calculation of working capital.

Nat Hodgson questioned whether capital improvement dollars were restricted to just Russell Road, Jessica Colvin said she would check with the DA. Discussion was had as to the previous meeting conversation of accumulated depreciation, which is still an option, however the 5 year capital plan was agreed on as it is a known estimate of what is needed.

- IV. **Fee Reduction.** Jerry Stueve presents the fee reduction plan and explains the board has two options, either reduce fees by roughly \$3 million or accept finance's recommendation of allotting \$24.5 for capital. The reduction plan would have a couple scenarios reducing the hourly fee from \$110 to \$90/hr, the plans review fee for all child sub-permits, the building plan review fees, and the phased design & construction plan review fee.

Nat Hodgson motioned against the fee reduction and in favor for the \$24.5 million capital plan, seconded by Sean Stewart and passed unanimously.

- V. **Capital Project Approval Process.** Jerry proposes a new approval process for the Committee reviews on Capital Expenditures:

- a. PROCEDURE:

- i. The Department will identify the capital improvements needed for the Department. The Capital Improvement Projects will be included be submitted to the County's Finance Department for inclusion in the County's annual and 5-year Capital Improvement Budget.
- ii. The Department will present the scope of each capital improvement project to BEFAC with the justification for the request.

- iii. The Department will present to the County's Long Range Planning Committee (LRP) the capital improvement project request scope and estimated cost, together with the BEFAC recommendation, for approval.
- iv. If the funding for the capital improvement was approved by the Board of County Commissioners and by LRP, the Department will work with Finance to allocate the funds and will proceed with the improvements.

Objection letter was received by Southern Nevada Home Builders Association. Discussion was had on the how RPM justifies estimates/cost, BEFAC's role and purpose. Tabled until legal clarification can be provided.

**VI. Capital Improvement Requests.** Nat Hodgson motioned to table item along with Item #V, seconded by Ed Zagalo, and passed unanimously.

**VII. Capital Improvement Project Update.**

- i. Plan Intake Counter Reconfiguration
  1. Work completed on February 22, 2020.
  2. Final cost data not yet available
- ii. Records\Engineering Cubicle Reconfiguration
  1. Work scheduled to commence in March 2020
- iii. Fire Prevention Staff Consolidation Cubicle Reconfiguration
  1. Work started on February 22, 2020.
  2. Estimated Completion is mid-March 2020
- iv. Furniture Replacement
  1. New Chair in Room #1116 \$21,480.40
  2. New Chairs in Presentation Room \$45,587.25
  3. New Tables in Presentation Room \$27,768.88
- v. External Site/Building Sign Updates
  1. Not yet submitted to RPM
- vi. Install filtered water filling stations
  1. Not yet submitted to RPM
- vii. Cooling Tower Replacement
  1. Project funded by County's Capital 4370 Fund had shortfall
  2. Authorized \$38,093 from Enterprise Fund to complete project.

**VIII. Operation Funding Requests.**

- i. Increase in Funding for Holiday Party to \$7,000 per fiscal year.
- ii. Increase in Funding for Employee Appreciation Meal Events to \$800 per fiscal year.
- iii. Request Funding for meals for employees at professional organizational meetings not to exceed \$5,000 per fiscal year.

Nat Hodgson motioned to approve, seconded by Amara Vigil and passed unanimously.

**IX. Department Update.**

- a. Performance Data: Jerry Stueve presented PowerPoint presentation which provided the performance data of total building permits issued and completed inspections for FY16 through FY20 and total fire prevention permits issued and completed inspections for FY18 through FY20. Total permits issued are about the same in the last 5 years. Fire Prevention permits are up. Rollover inspections are low at roughly 2%.

**X. Fire Prevention and Building Department Integration.** Jerry explains the following integrations have been made thus far:

- a. Steps are being taken to incorporate two permits into one when a building and fire permit is being pulled for the same thing.
- b. Temporary event permitting process has made strides, as a separate fire permit is no longer required for the particular structure if the building permit has been pulled, the fire permit is only required for the event itself.
- c. Assistant Fire Chief over Fire Inspections has been recently hired and looking into integrating more systems.

**XI. Economic Outlook from the BEFAC Members.** Shawn Danoski expressed the encouragement of the economic outlook, indicators show rate of growth, and continues to see positive outlook. However feels paying attention to construction and development costs will help remain competitive and prevent economic slowdown. Nat Hodgson expressed residential construction industry is steady, sustainable, and consistent.

**XII. Proposed items for future agendas.** District Attorney's legal ruling on BEFAC's role, capital project approval process, and capital improvement requests.

**XIII. Set next committee meeting time and location.** The next meeting date is TBD.

**Public Comment.** None.

There were no public comments and the meeting was adjourned at approximately 3:20 p.m.