

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

CCDB&FP Virtual WebEx Meeting  
December 3, 2020

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MINUTES

MEMBERS/ALTERNATES PRESENT:

Jessica Colvin	Clark County Finance Department
William Ham, Chair	MGM Resorts
Shawn Danoski	NAIOP
Nat Hodgson	Southern Nevada Home Builders Association (SNHBA)

MEMBERS/ALTERNATIVES NOT PRESENT:

Sean Stewart	Associated General Contractors (AGC)
Amara Vigil	Clark County Department of Building & Fire Prevention

STAFF PRESENT:

Jerry Stueve	Clark County Department of Building & Fire Prevention
Sam Palmer	Clark County Department of Building & Fire Prevention
Ofelia Monje	Clark County Department of Building & Fire Prevention
Timothy Baldwin	Clark County District Attorney
Christina Card	Clark County Finance Department
Theresa Atimalala	Clark County Department of Building & Fire Prevention

GUESTS IN ATTENDANCE:

Amanda Moss, Southern Nevada Home Builders Association (SNHBA)  
Ann Barnett, Associated General Contractors (AGC)

**In Compliance with the Open Meeting Law.** The meeting of the Building Enterprise Fund Advisory Committee was called to order at approximately 3:03 p.m. by Jerry Stueve, Director of Clark County Department of Building & Fire Prevention, and a quorum was confirmed. Jerry Stueve opened the meeting until Chair elected.

**I. Introductions**

**Public Comment Period.** There were no public comments.

**II. Selection of Chairperson.** Nomination was made by Nat Hodgson to elect Bill Ham of MGM Resorts as Chairperson, all committee members in favor and no objections were made. Bill Ham proceeded as meeting Chair.

**III. Review of Minutes.** A motion was made to approve the minutes from previous meeting on February 24, 2020 by Nat Hodgson, seconded by Shawn Danoski and passed unanimously.

**IV. Building Enterprise Fund Advisory Committee Bylaws.** Jerry Stueve presented Bylaws and highlighted significant changes if approved:

- a. Section 2 changes committee member's term to a period of two (2) years, but not to exceed four (4) years. Provides latitude for future staggered committee memberships.

- b. Article V would include a Chair and Vice Chair from among the Committee members. Discussion was had if a Vice Chair is needed to run meeting in absence of Chair if Jerry is present. Jerry explained the director is not technically a committee member, but an executor. The director could run meetings but has no role to take actions.
- c. Clarification of number of committee members in Article IV was made. Currently there are four (4) outside agencies and two (2) public officers, however only three (3) outside agencies and two (2) public officers are required. Under these by-laws, Clark County may expand committee to include nine (9) members, if desired.

A motion was made to approve the Bylaws as written and to elect Vice Chair at next meeting by Shawn Danoski, seconded by Nat Hodgson and passed unanimously.

## **V. Financial Update.**

- a. Clark County Finances. Jessica Colvin provided background of County finance decisions that also impacted the Building Enterprise Fund. While building the FY21 budget, the pandemic and closure caused Clark County to face \$285 million shortfall to general fund, as a result to the loss of consolidated tax revenue which consist primarily of sales tax, room tax, gaming fees, and business license fees. To resolve shortfall several cost saving measures were implemented, such as hiring freezes, voluntary separation program, 5% reduction of pay with 4-day 38-hour work week. Building Department remained open as essential business during closure and partook of cost savings measures.
- b. Enterprise Fund. Jessica Colvin presented PowerPoint presentation which provided financial update as of June 30, 2020 unaudited FY20. FY20 total assets are \$92 million compared to \$84 million FY19, majority of which are current assets, which is cash and receivables. Ending net position is \$48.3 million, an approximate \$8 million increase from FY19 audited to FY20 unaudited. Operating revenues on Income Statement are projected to remain consistent. Net income decreased from \$12.8 million FY19 to \$7.8 million FY20 and forecasting a loss of \$8.2 million largely due to non-operating expenses which include capital expenditures, therefore not concerning since one-time expense and there are funds reserved to pay. Working capital unaudited current assets for FY20 are \$66.2 million, Board of County Commissioners designated \$24.5 million for future capital outlay with BEFAC recommendation. Excess working capital is \$4.8 million and the result of accumulated vacancy savings, and a recent surge in the economy. The results are considered non-recurring and likely unsustainable. A reduction in fees will decrease the operating revenues therefore require relying on cash reserves to fund operations and that is not sustainable, so expenses will need to be cut or raise fees again. BEFAC needs to take this into consideration, as a recommendation will be required after the audit is complete. Total Unearned Revenue as of June 30, 2020 is \$16.3 million, largest project being MSG at \$3.6 million and second largest Fountainbleau at \$3.4 million.
- c. Recommendation. Finance has no recommendations at this time and suggests waiting until the audit is complete to revisit making decision on cutting expenses and/or raising fees.

## **VI. Department Update.**

- a. First Quarter Comparison: Jerry Stueve presented PowerPoint presentation which provided first quarter comparisons FY19, FY20, and FY21 of revenue, expenses, and income. FY20 revenue of \$6.5 million and FY21 \$4.9 million are similar. FY21 had significant expenses due to an accounting adjustment. Income decreased

from \$17.5 million in FY19 to \$649,494 in FY20 mainly due to large projects paying their fees in FY19, such as the Stadium, Caesars Convention Center, Wynn Convention Center, and Fountainbleau. FY19 was a busy year due to large projects, yet fees appear to be at a more sustainable rate now.

- b. Performance Data: Jerry Stueve presented PowerPoint presentation providing performance data of total building permits issued and completed inspections for FY17 through FY21 and total fire prevention permits issued and completed inspections for FY18 through FY21. FY18 and FY19 were better years for Building, however performance and statistics remain consistent. FY21 Fire prevention permits issued considerably lower due to the lack of temporary events, however Fire Prevention has shifted to other tasks while still supporting construction. Fire Prevention completed inspections in FY21 are significantly higher primarily due to conducting occupancy inspections, maintenance inspections for hotels and apartments. Fire Prevention is also conducting business license inspections as per statute. FY21 Building completed inspections are considerably lower than previous years, hopeful that development increases. Permit issuance numbers are contributed to smaller projects, residential still doing well. Rollover inspections are at 2%, the new reduced work-week schedule is a contributing factor as Mondays and Fridays are half-staff, however backlog is not significant. Building Plan Review still consistent. Fire Prevention Plan Review consistent except no temporary permit plan reviews. Inspector Activity for Fire Prevention is concerning, if temporary events and conventions do not return, it will have a long-term fiscal impact, however Fire Prevention is not funded by the Enterprise Fund.

**VII. Capital Improvement Project Update**

- i. Engineering/Records Reconfiguration
  - 1. Original cost estimate \$83,751
  - 2. Actual costs \$76,953.20
  - 3. Surplus of \$6,797.80 returning to Enterprise Fund
  
- ii. Fire Prevention Consolidation with TV & Cable Installation (Office 1100, 1207 & 1208)
  - 1. Original cost estimate \$308,812
  - 2. Actual costs \$235,897.20
  - 3. Surplus of \$53,898.88 returning to Enterprise Fund
  
- iii. Plan Intake Office Construction
  - 1. Original Cost Estimate \$340,403
  - 2. Current Bid Estimate/Cost:
 

a. Design	\$52,690.00
b. Construction	\$191,382.00
c. Office Furniture	<u>\$ 31,151.19</u>
Total	\$275,493.19
  - 3. Schedule:
 

a. Bid Opening	March 25, 2020
b. Notice to Proceed	September 23, 2020
c. Substantial Completion	December 21, 2020
  
- iv. Furniture Replacement
  - 1. Actual Cost:
 

a. New Chair in Room #1116	\$11,289.60
b. New Chairs in Presentation Room	\$43,219.56
c. New Tables in Presentation Room	<u>\$20,811.84</u>
Total	\$75,321.00

2. Remaining balance \$174,679.00.

v. Vehicle Replacement

1. Actual Cost:

a. (27) Chevy Equinox	\$580,554.00
b. (1) Ford Transit	\$ 29,906.65
c. (4) Ford F150	<u>\$123,088.80</u>

Total \$733,549.45

2. Original cost estimate \$781,000

3. Actual costs \$733,549.45

4. Surplus of \$47,450.55 returning to Enterprise Fund

vi. Cooling Tower Replacement

1. Project funded by County's Capital 4370 Fund had shortfall

2. Jerry authorized \$26,827.65 from Enterprise Fund to complete project

**VIII. Capital Improvement Requests.** Jerry presented RPM's Preliminary Cost Estimates for committee discussion and possible action for the following Capital Projects:

a. Room #1222 Smart TV Replacement	\$ 40,537
b. Solar Covered Employee Parking	\$ 4,480,175
c. Customer LED Parking Light Replacement	\$ 76,347
d. Customer Lobby Furniture Replacement	\$ 223,321
e. New Building Inspector Cubicle	\$ 114,054
f. New Conference Room Tables	\$ 50,283
g. New Desk Task Chairs – Building	\$ 23,800
h. East Employee Restroom	\$ 715,892
i. Construct Employee Entrance Vestibules	\$ 381,419
j. Replacement Vehicles	\$ 506,000
k. 1st Floor Overall Flooring Replacement	\$ 299,027

The following capital project requests were held by BEFAC pending further cost savings analysis, more specifics, and/or cost sharing:

- Solar Covered Employee Parking \$ 4,480,175

The following capital project is being withdrawn, as a result of online processing:

- Customer Lobby Furniture Replacement \$ 223,321

The following capital project is being withdrawn, as a result of COVID-19 social distancing requirements:

- New Building Inspector Cubicle \$ 114,054

The following capital project was previously approved by BEFAC, however completed and paid for by the Cares Fund:

- Water Bottle Filling Stations \$ 96,147

The following capital project was previously approved by BEFAC, however revision required as several departments now occupy the Russell building and a more global sign is needed:

- Exterior Signage Update \$ 78,123

The following capital project request proposals were approved. A motion was made by Bill Ham, seconded by Shawn Danoski and passed unanimously:

▪ Room #1222 Smart TV Replacement	\$ 40,537
▪ Customer LED Parking Light Replacement**	\$ 76,347**
▪ New Desk Task Chairs – Building	\$ 23,800
▪ East Employee Restroom**	\$ 715,892**
▪ Replacement Vehicles	\$ 506,000
▪ 1st Floor Overall Flooring Replacement	\$ 299,027

\*\*The following capital project proposals were approved with conditions:

- i. Customer LED Parking Light Replacement \$ 76,347
  - Scope of work entails head replacement/assembly only
- ii. East Employee Restroom \$ 715,892
  - Cost sharing with other departments occupying Russell Building; CCPRO and Animal Control is to be sought

**IX. Operating Capital Requests.** Jerry presented RPM's Preliminary Cost Estimates for committee approval for the following Operating Capital Project. A motion was made by Bill Ham to approve this proposal, seconded by Shawn Danoski and passed unanimously:

- a. Russel Campus ADA Code/Accessibility Assessment \$15,800

**X. Blue Beam Software.** Presented by Southern Nevada Home Builders. Request was previously made to see if County would use Blue Beam Software as plan review software, however the system does not interface with Accela and will not work.

**XI. Economic Outlook from the BEFAC Members**

Residential Construction Industry: Representative Nat Hodgson explains numbers are duplicate from last year and projections for next year are the same. The volume of building is flat and they do not foresee any changes.

Gaming Industry: Representative Bill Ham describes some outstanding projects slowing down significantly. The resort quarter and probably next two years will be very challenging for the entire industry. Development on both ends of the strip may be in the works, however unsure of funding, should know more in July of 2021.

Commercial Development Industry: Representative Shawn Danoski explains there are pockets in the market that are on fire and others that are shrinking. Anything Industrial, clients can't seem to find land fast enough. Quick-serve restaurants with drive-through can't seem to build fast enough. Multi family is off the charts. Market is extremely unpredictable.

**XII. Propose items for future agendas.** Jerry to email PowerPoint presentation with Performance Data to Committee prior to meeting, Solar Covered Employee Parking cost analysis, selection of Vice Chair, and Jessica to provide FY20 Audited Financial Update.

**XIII. Set next committee meeting time and location.** End of 1<sup>st</sup> quarter, target March 2021.

**Public Comment Period.** There were no public comments.

Seeing as there are not public comments, the meeting was adjourned at approximately 4:31 p.m.