

City of Las Vegas

**BUILDING AND SAFETY ENTERPRISE FUND ADVISORY COMMITTEE
CITY HALL, 495 S. MAIN STREET
CITY CLERKS 2ND FLOOR CONFERENCE ROOM
CITY OF LAS VEGAS INTERNET ADDRESS: www.lasvegasnevada.gov**

MINUTES APRIL 10, 2012 10:00 AM

ITEMS MAY BE TAKEN OUT OF THE ORDER PRESENTED AT THE DISCRETION OF THE CHAIRPERSON. TWO OR MORE AGENDA ITEMS FOR CONSIDERATION MAY BE COMBINED; AND ANY ITEM ON THE AGENDA MAY BE REMOVED OR RELATED DISCUSSION MAY BE DELAYED AT ANY TIME.

DUPLICATE AUDIO CDs MAY BE AVAILABLE AT A COST OF \$5.00 PER CD THROUGH THE CITY CLERKS OFFICE.

1. CALL TO ORDER

Minutes:

CHAIR QUINN called the meeting to order at 10:05 a.m.

PRESENT: CHAIR QUINN and MEMBERS POTTER, CHACHAS, VINCENT and KNIGHT

ALSO PRESENT: BRYAN K. SCOTT, Assistant City Attorney, LEAN COLEMAN, Deputy City Clerk, and YOLANDA PALOMO, Senior Management Analyst

2. [ANNOUNCEMENT RE: COMPLIANCE WITH OPEN MEETING LAW](#)

Minutes:

ANNOUNCEMENT MADE - Meeting noticed and posted at the following locations: City Hall Plaza, 495 South Main Street, 1st Floor, Clark County Government Center, 500 South Grand Central Parkway; Grant Sawyer Building, 555 East Washington Avenue; City of Las Vegas Development Services Center, 333 North Rancho Drive

3. [PUBLIC COMMENT DURING THIS PORTION OF THE AGENDA MUST BE LIMITED TO MATTERS ON THE AGENDA FOR ACTION. IF YOU WISH TO BE HEARD, GIVE YOUR NAME FOR THE RECORD. THE AMOUNT OF DISCUSSION, AS WELL AS THE AMOUNT OF TIME ANY SINGLE SPEAKER IS ALLOWED, MAY BE LIMITED](#)

Minutes:

None.

4. [For possible action to approve the Final Minutes by reference of the Regular Meeting of February 24, 2011](#)

Motion made by JAMES CHACHAS to Approve

Passed For: 5; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

MARK VINCENT, ROBERT W. POTTER, STEVE QUINN, JAMES CHACHAS, CHRISTOPHER KNIGHT; Against-(None); Abstain-(None); Did Not Vote-(None); Excused-(None)

5. [Report for possible action regarding Building and Safety Fee Implementation](#)

Minutes:

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MEMBER KNIGHT, Building and Safety, explained that as part of the fee schedule, staff proposed a graduated increase in fees; ultimately, a 50 percent increase is needed to remain solvent. An increase of 25 percent was imposed two years ago, and an automatic 15 percent increase is scheduled for this year. However, staff will ask that this 15 percent increase be deferred, to help lessen the impact on the industry.

6. [Report for possible action regarding the Adoption of the 2009 Suite of Codes](#)

Minutes:

MEMBER KNIGHT, Building and Safety, noted that the 2009 codes are fully adopted and are being utilized; however, the 2009 International Residential Code had not been adopted prior to this Board's previous meeting. A compromise was reached with the homebuilders that we will track the building permits valley wide and when such entities, cumulatively, in any calendar year, issue 10,000 building permits, residential sprinklers will be required beginning the following July. The Fire Department feels strongly about having residential sprinklers given the fact that they provide another element of safety within the home.

Regarding the 2012 Suite of Codes, all of the committees have been asked to complete their calendars by year's end, in anticipation of adoption in the Spring 2013.

MEMBER POTTER asked if there is continuity with other jurisdictions relative to the amendments. MEMBER KNIGHT responded that all jurisdictions adopt the same amendments. In addition, the City of Las Vegas adopts the 1997 Administrative Code as well, which entails administrative provisions for all of the codes. MEMBER POTTER believed it was commendable that there is an industry wide approach in having the jurisdictions on the same page with codes. MEMBER KNIGHT added that authority is given to each city's Building and Safety official to interpret adopted codes, which results in a variation of community values.

7. [Report for possible action regarding the Enterprise Fund Budget Update](#)

Minutes:

Using the spreadsheets submitted for the record, MEMBER KNIGHT discussed the department's budget for the past year, current year and next year. MEMBER VINCENT recognized that the department saved \$100,000 on the budget, which MEMBER POTTER applauded.

MEMBER KNIGHT explained that as of April 3, 2012, the budget was projected at a loss of \$197,695.00, with revenues/expenses flat. The additional one million dollars from last year's budget stemmed from several large projects, including the new City Hall, but staff does not anticipate having many large projects this year. He forecasted that the revenues for the forthcoming budget will remain flat.

MEMBER VINCENT discussed with the Board the fringe benefit allocation and pointed out that MEMBER KNIGHT'S department experienced an increase of \$400,000 in labor costs. Like the private sector, the City only charges time worked to jobs and activities. Paid absences like vacation and sick leave are not charged directly to jobs, but rather to the Fringe Benefit fund. The Fringe Benefit fund which is then allocated to all time worked labor cost in all funds through a Fringe Benefit rate. MEMBER KNIGHT added that the pool for the fringe benefit allocation will continue to exist, and the costs for such leave will be paid out of that pool. Because the Fringe Benefit rate has not been adjusted for increased benefit costs and lower wage bases, the Fringe Benefit has depleted its reserves and must increase the Fringe Benefit Rate. MEMBER VINCENT noted that this issue is city-wide; he estimated that the Fringe Benefit fund is experiencing an operating deficit of approximately 16 million dollars. MEMBER KNIGHT explained that the difference between a General Fund department and an Enterprise Fund department is that the costs for the General Fund department are covered by the General Fund. The costs for the Enterprise Fund department are covered by the number of permits issued. In order for Building and Safety to cover the increase, fees collected for permits will have to increase by an additional million dollars.

MEMBER VINCENT explained to MEMBER CHACHAS that the fringe benefit allocation process has been implemented since 2005, but the rate increase is new. At one time, the rates were established with each employee having his/her individual rate, which created issues with accounting. As a result, the process was changed in 2006 to a pool concept in which the rates are broken down by bargaining groups. Reserves are held in the Internal Service fund, and there is not a

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certain portion allocated to the Building and Safetys fund.

MEMBER VINCENT informed the members that the City of Las Vegas owns the Smith Center for Performing Arts, and there is a current operating contract with them. The contributions from rentals flow from the Smith Center to the City, as a contribution towards the City's capital project.

MEMBER KNIGHT noted that new tablets have been purchased for the inspectors; previous tables were initially given to the department at no immediate cost. Ultimately, the capital replacement cost was paid, which totaled \$17,000 and ultimately, total costs will eventually reflect \$80,000. In addition, the Government Administration fund for internal services has increased from 10 to 21 percent of the salaries, excluding benefits.

For this fiscal year, MEMBER KNIGHT indicated that the funds in the Operating Reserves will be utilized to cover the 1.1 million dollar deficit.

MEMBER KNIGHT then used the spreadsheet submitted for the record to discuss the Proposed FY2013 Budget, and any recommendations from this Board will be forwarded to City Council.

Revenues remain the same, but labor costs increased approximately \$400,000. Salary/wages will increase \$150,000. There has been an issue with holdovers, so two building inspectors and a plans checker will be recalled. In addition, should the City undertake another large project, a recommendation will be made to outsource a plans checker to maintain the workload. The expenditure will reflect a loss of revenue, as staff desires to negotiate an agreement with a firm that will get a percentage of the plan check fee. MEMBER VINCENT added that previously, 10 percent was allocated towards all labor costs; in 2013, the Government Administration fund will be allocated only on direct labor charge, which will reflect a minimal increase given the indicate growth in the budget from 6.7 to 7.4 million dollars.

MEMBER VINCENT will forward to MEMBER CHACHAS and others information regarding a schedule that reflects the costs the City puts into this pool and direct labor. Given the salary reductions, MEMBER CHACHAS wondered what drove the increase. MEMBER KNIGHT replied that the increase for labor costs are partly due to the reinstated Cost of Living and Step increases for next fiscal year as well as an increase in the General Government Cost Allocation.

MEMBER KNIGHT informed the Board members that he has authority over discretionary charges, such as professional services, and if justified, additional employees. With this proposed budget, funds from Operating Reserves will be utilized without a fee increase to cover the expenses for recordkeeping, additional employees, Government Administration fund and benefit allocations.

MEMBER CHACHAS confirmed with MEMBER KNIGHT that the Nevada Revised Statutes limits the maximum fund balance for the Building Permit Enterprise Fund. The department cannot exceed 50 percent of its Operating Reserves. For this fiscal year, MEMBER KNIGHT predicted the department will exceed 50 percent, given the costs involved for an upcoming parking lot, making it two years in a row. However, he did not believe this would be the case for Fiscal Year 2013. The department staff and legal counsel have not taken exception to maintaining the current rates into the next fiscal year.

MEMBER VINCENT pointed out that the Enterprise Funds are driven by their revenues and some run leaner than others, but the principle is divided equitably between departments.

MEMBER KNIGHTS focus is on addressing service issues and did not anticipate any major increases in 2014, with the exception of the benefit rate, as MEMBER VINCENT anticipated another increase. MEMBER KNIGHT informed MEMBER CHACHAS that the ordinance stipulates automatic fee increases in 2012 and 2013; however, the recommendation to City Council will be to utilize the departments Operating Reserves and defer the rate increase per the City Managers request.

The Board accepted the report, although they desired further clarification on some of the allocations. Although the City Council makes the final decision, MEMBER VINCENT reminded the members that their concerns and/or suggestions discussed at this meeting will be forwarded to the City Council for consideration.

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8. [Report for possible action regarding Accomplishments of the Building and Safety Department](#)

Minutes:

MEMBER KNIGHT, Building and Safety, referred to the report submitted for the record, entitled Building and Safety Department Key Result Measures, to report that staff has been able to maintain customer service levels using the department's reserve funds. However, should a major project develop, the department will experience a negative impact. Staffing issues will affect the department's accomplishments, being that there are four positions (including one part-time) that need filling.

MEMBER CHACHAS asked about the department's overall morale and the number of employees with the department. MEMBER KNIGHT replied that there are 44 employees under the Enterprise Fund but a total of 88 employees within the department. Having kept the employees abreast during the City's reorganization process has lessened the stress levels. In addition, there is a sense that the department is headed in the right direction and many have vested in to the goal of Las Vegas being the place of business. Moreover, there has been positive feedback from customers, so there is a greater sense of job satisfaction.

MEMBER CHACHAS attested to the positive feedback and commended management and staff for their efforts, given the positive outcome from these measures. Part of this Board's role is to facilitate the right tools and to protect the funds. MEMBER KNIGHT praised his staff for buying into the vision and recalled a situation where an employee went above and beyond to ensure a citizen obtained his permits.

Addressing MEMBER VINCENT'S query regarding any recognition between the different jurisdictions when conducting business, MEMBER KNIGHT referred to a study done by Kirchhoff and Associates, where an opinion had changed in rating the City of Las Vegas from No. 3 to No. 1. MEMBER POTTER added that service is a key factor when doing business, especially when a developer has funds readily available and needs to go forward as quickly as possible but in an effective manner.

MEMBER POTTER agreed with MEMBER CHACHAS' praise towards the management and staff. MEMBER VINCENT was pleased to hear about the positive feedback.

9. [Report for possible action on the Date and Time of Next Meeting](#)

Minutes:

The Board members discussed with MEMBER KNIGHT, Building and Safety, the possibility of having a follow-up meeting prior to the finalization of the City's budget, given the stated concerns. MEMBER VINCENT informed the Board that the City's budget is scheduled to be finalized at the May 15th City Council meeting. MEMBER CHACHAS wondered if another meeting prior to this date was necessary, as the Board members have expressed their concerns and dialogue will continue. Staffing is appropriate, and the service levels appear to be within the norm. He was also pleased to know that staff's intention is to postpone the fee increase.

MEMBER POTTER could accept the report, with the caveat that the allocations need additional clarification. ASSISTANT CITY ATTORNEY BRYAN K. SCOTT confirmed for the Board that a motion was not required but direction from the Board was appropriate.

MEMBER VINCENT noted that a presentation from Finance and Business Services would be made dealing with the change in the general government allocation rate and the fringe benefit rate. MEMBER CHACHAS asked that the presentation include the budget for the following year.

MEMBER VINCENT intends to be present for the next Board meeting, even though there may be a new member. DEPUTY CITY CLERK LEAN COLEMAN confirmed for MEMBER KNIGHT that she would follow up with staff on potential meeting dates for this Board.

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MEMBER POTTER commented that feedback would probably be minimal, being that the deficiencies are absorbed through the Reserves fund. MEMBER KNIGHT believed feedback will arise when a fee increase is imposed.

10. CITIZENS PARTICIPATION: PUBLIC COMMENT DURING THIS PORTION OF THE AGENDA MUST BE LIMITED TO MATTERS WITHIN THE JURISDICTION OF THE COMMITTEE. NO SUBJECT MAY BE ACTED UPON BY THE COMMITTEE UNLESS THAT SUBJECT IS ON THE AGENDA AND IS SCHEDULED FOR ACTION. IF YOU WISH TO BE HEARD, GIVE YOUR NAME FOR THE RECORD. THE AMOUNT OF DISCUSSION ON ANY SINGLE SUBJECT, AS WELL AS THE AMOUNT OF TIME ANY SINGLE SPEAKER IS ALLOWED, MAY BE LIMITED

Minutes:

None.

11. ADJOURNMENT

Minutes:

Meeting adjourned at 11:30 a.m.

Respectfully submitted,

Lean Coleman, Deputy City Clerk

Chris Knight, Director, Building and Safety

Facilities are provided throughout City Hall for the convenience of disabled persons. If you need an accommodation to attend and participate in this meeting, please call the City Clerks office at 229-6311 and advise of your need at least 48 hours in advance of the meeting. The Citys TDD number is 386-9108.

THIS MEETING HAS BEEN PROPERLY NOTICED AND POSTED AT THE FOLLOWING LOCATIONS:

City Hall, 495 South Main Street, 1st Floor
Clark County Government Center, 500 South Grand Central Parkway
Grant Sawyer Building, 555 East Washington Avenue
City of Las Vegas Development Services Center, 333 North Rancho Drive