



Building and Safety Enterprise Fund Advisory Committee Minutes

1. Call to Order and Roll Call

Minutes:

CHAIR POTTER called the meeting to order at 10:06 a.m.

PRESENT: CHAIR POTTER and MEMBERS APPELYARD, McOSKER, MOSS and TATUM

ALSO PRESENT: JOSANNA ESPEJO, Senior Management Analyst, JAMES LEWIS, Deputy City Attorney, and CHEYENNE LaRANCE, Deputy City Clerk

2. Announcement Regarding: Compliance with Open Meeting Law

Minutes:

ANNOUNCEMENT MADE: 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; Howard Lieburn Senior Center, 6230 Garwood Avenue.

3. Public Comment: Comment during this portion of the agenda must be limited to matters on the agenda for action. If you wish to be heard, come forward and 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 January 14, 2020

Motion made by Amanda Moss to Approve

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

For-Venetta Appleyard, Kevin McOsker, Robert W. Potter, Amanda Moss, Vincent Tatum;

5. Report by Kevin McOsker, Director of the Department of Building & Safety, regarding the Enterprise Fund Budget for Fiscal Years 2020 and 2021

Minutes:

MEMBER McOSKER explained Fiscal Year (FY) 2020 started in July of 2019 and went through June 30, 2020. Revenues in FY 2020 were \$13,930,000, and expenses were \$13,747,000, resulting in a loss of \$305,000.

The budget process for FY 2021 started prior to the pandemic, but adjustments had to be made because of how the pandemic was affecting the economy. Currently revenues and expenses are approximately \$12.9 million, and while June numbers are not yet in, they are projecting a positive of \$74,454. He explained the Department was asked to take a 20 percent decrement in their budget, but the City Manager's Office gave back three percent in Professional Services. JOSANNA ESPEJO, Senior Management Analyst, confirmed they received approximately two and one-half percent back in Professional Services. MEMBER McOSKER stated they are doing fairly well with the capital reserve balance, but one challenge with the Enterprise Fund Balance is that lowering expenses also lowers the cap value.

MEMBER MOSS recalled the potential concern as to what the expedited and express plan reviews might look like and how that would affect the budget when the new fee was implemented and with being the first jurisdiction in the valley to go online. MEMBER McOSKER responded one of the issues they are seeing with express plan reviews is that with the ability to submit online 24/7, 365 days a year, the demand for such has decreased, resulting in revenue dropping significantly. Another factor is the level of service being provided; customers expect a two- to three-week turnaround, and the City usually meets or exceeds those timeframes.

CHAIR POTTER asked what the costs look like with the move to the new location. MEMBER McOSKER deferred to MS. ESPEJO, who explained facility costs are only calculated once per year, and they have not been re-calculated since their move to City Hall. What has changed, however, are the costs for the supporting departments, but she indicated that would be discussed under Item 9. CHAIR POTTER believed the costs would increase, but asked when the building they vacated gets sold if that money will go into the General Fund. MEMBER APPELYARD explained that money will be used to build the new Civic Center Plaza across the street from City Hall, which will house the departments that are still displaced.

With regard to facility charges, MEMBER McOSKER stated that number is calculated on a square-footage basis. In FY2020 and FY2021, that totaled \$285,000 and \$282,000, and in the FY2022 proposed budget, that number is \$267,000, so from a budgeting perspective, that number has actually decreased by moving to City Hall. He noted this could be the result of having a smaller footprint, as their inspectors are located at the East Yard instead of City Hall.

NOTE: The subject minutes were approved at the January 12, 2022 meeting, and Mr. McOsker clarified that the FY2020 income was \$183,219, and the \$305,000 that was mentioned in the June 30, 2021 minutes was relative to the working capital amount.

6. Discussion regarding modification of the Combination Building Inspector pay grades

Minutes:

MEMBER McOSKER recalled the last meeting where discussion took place regarding the Combination Building Inspector pay raises, noting at this point, they are confident in their employment practices. In general, the top range at the City of Henderson and Clark County is about \$97,000 to \$99,000, and the City of Las Vegas tops out at about \$87,000, so that may be something to consider in the future if it becomes difficult to fill these positions.

CHAIR POTTER asked if they have experienced difficulties in filling these positions. MEMBER McOSKER stated they have been very fortunate in the last 14 months in that they have not lost any inspectors. The last inspector they hired was a week before the start of the pandemic, and there have only been two recent retirements. Historically, it has been challenging to fill such, but they will see how the recruitment to replace the two retirees goes. Noting the top pay range is 10 to 12 percent less than other municipalities, CHAIR POTTER asked how the City's benefits package compared. MEMBER McOSKER did not recall reviewing that as part of the evaluation, but believes it to be fairly similar. The City of Henderson may offer one extra holiday, and there may be slight differences in insurance costs, but nothing glaring.

Noting that Clark County moved to a four-day work week, MEMBER MOSS wondered how the inspection work hours compared and if that impacted the need for a pay grade increase for this classification. MEMBER McOSKER stated the City of Las Vegas, Clark County and the City of Henderson are all now on a four-day work week, and all have staggered work staff on Mondays and Fridays, with full staff Tuesday through Thursday. He believed Clark County made the switch during the pandemic and that there may have been a perceived non-monetary benefit to working for the City of Las Vegas or the City of Henderson because of the four-day work week, but he was not sure this was a benefit you could calculate.

MEMBER MOSS expressed concern with not as much money coming in for express plans check fees and spending significantly more money since a pay increase for the Combination Building Inspectors would involve a huge pay bump for a large amount of staff. She understands the need and wants to keep the City of Las Vegas competitive, but she also wants to find a good balance as to what the Enterprise Fund Balance looks like in its entirety. The fee increase was used to make sure the fund was whole with regard to existing costs, but she wondered what that might look like in the event those costs increased. The City of Las Vegas has the only Enterprise Fund in the valley that increased its fees, while other jurisdictions are considering decreasing their

fees. MEMBER McOSKER agreed the City needs to be competitive and whole, but that also comes at a significant cost. Combination Building Inspectors make up almost one-fourth of their staff, 22 employees out of 86 total. Increasing their pay would have a large impact on the labor budget, but he said he will take a cautious perspective and continue to reevaluate their hiring situation. He stressed the importance of having this conversation with this Committee prior to working with Human Resources.

MEMBER TATUM asked if there are exit interview processes in place to get information and metrics in terms of why people are leaving. MEMBER McOSKER stated Human Resources does perform exit interviews with employees, but they have not seen that pay at other municipalities is a factor. Typically, people are either retiring or leaving because of promotional opportunities at other jurisdictions.

7. Report by Kevin McOsker, Director of the Department of Building & Safety, regarding an update on implementation of the Fee Study

Minutes:

MEMBER McOSKER stated the fee study was approved by the City Council in February of 2021 and will go into effect July 1, 2021. He was not, however, 100 percent confident that every fee has been entered into the computer at this time because some of the details were still being worked out relating to miscellaneous permits.

With regard to other jurisdictions possibly reducing their fees, CHAIR POTTER asked if the City was concerned. MEMBER McOSKER said he was not because he understands the jurisdiction that is considering reducing their fees is doing so because they have a very high fund balance. A requirement of Nevada Revised Statutes governing Enterprise Funds is that they must do a fee reduction if their fund balance is high for two consecutive fiscal years. He opined that although the City's fees are lower than Henderson and higher than Clark County, they are correct for what the City does as an organization.

MEMBER MOSS recalled that the Committee was supportive of this increase because they took into consideration the processing time it took staff. MEMBER McOSKER confirmed, adding the fee study was performed by an outside consultant, and they evaluated the time it takes to do plan review, permitting processes and inspections, and some adjustments were made to those fees that seemed high. The express fees and non-statutory fees are functions that were not considered, so the City right-sized them since some are collected and should be included as a part of the revenue base. He thanked the Committee for their support of the fee structure.

8. Report by Kevin McOsker, Director of the Department of Building & Safety, regarding an update on implementation of the Administrative Code

Minutes:

MEMBER McOSKER was proud to announce the new Building Administrative Code was adopted in February of 2021. The building permitting exemptions in the Administrative Code were benchmarked with other jurisdictions, and that number was increased from 12 to almost 80. Those provisions in the Administrative Code were made consistent with business practices, which were last updated in 2012. With regard to code adoption cycles, they tried to give the Building Official more flexibility when a project is already going through either the plan review or inspection process, because it can be quite expensive to bring a project back to the Building Department to amend the plans to the current code when caught between code cycles. If a project is started under a code of record, it can be finished under the current code, as long as it is finished prior to the next code cycle. He stated the Administrative Code was a great team effort, and everybody in the department was involved in making this a better process for both the department and industry partners.

CHAIR POTTER asked if one starts a project with four phases, which can extend over two to five years, and the code changes during the third year, if the project can proceed under the initial code. MEMBER McOSKER explained the Administrative Code is written such that it gives the Building Official more flexibility to look at the application and make that decision to allow the project to continue under the old code if the work is continuous.

9. Report by Kevin McOsker, Director of the Department of Building & Safety, regarding an overview of the Enterprise Fund Budget for Fiscal Year 2022

Minutes:

MEMBER McOSKER stated Fiscal Year (FY) 2022 will start on July 1, 2021, and that they were not as

successful as they hoped when meeting with the City Manager's Office regarding position updates, but they were able to secure a few. After identifying a weakness in the organization, it was decided to hire a Fire Protection Engineer that will work with both Fire and Rescue and the Building & Safety Department plan review teams. He reminded the members that fire plan review is a function of the Building Enterprise Fund.

MEMBER McOSKER mentioned a couple of projects that had complex fire protection alternative methods and materials and unique designs where they could have used someone on staff to help with those processes. It is also a good tool to have an experienced and knowledgeable individual in the fire protection world. He believed most jurisdictions of similar size have a Fire Protection Engineer on staff, and the City Manager's Office agreed to fill this position.

Another position that was approved was an Engineering Associate position. Ideally, he would like to hire a junior structural plan reviewer that they can mentor and train. Currently, there is one structural plans examiner on staff with more than 30 years of experience, so it was thought it would be good to bring someone in to start training. MEMBER McOSKER noted this was the position he started at 29 years ago, and he hoped to bring someone on that could be mentored and who could eventually fill his shoes as the Building Official.

He also noted other items in the budget, such as mapping, training, travel and computer supplies. Additionally, he stated through the budget process, they found a position that was in the Enterprise Fund that was not supposed to be there, so it was removed.

MEMBER McOSKER reported in a snapshot of the Fiscal Year 2022 budget, they are proposing revenues of \$15,151,000, which takes into account the fee increase and the robust construction economy over the past 12 months. Estimated expenses are \$15,139,000, so if they meet the budget, although that is highly unlikely, they will end up with an \$11,000 net profit.

MEMBER MOSS asked about staffing levels with regard to open positions during FY 2021 that might affect what they are doing for FY 2022. JOSANNA ESPEJO, Senior Management Analyst, explained as part of the decrement, they sacrificed all vacant positions, so the only vacancies that currently exist are the ones previously mentioned by MEMBER McOSKER. MEMBER MOSS reiterated her concern regarding revenues and expenses being close, and asked if it was possible to get a first and second quarter update. MEMBER McOSKER felt that was a wise idea, and suggested this Committee meet again either at the end of October or early November to allow time to get the necessary numbers from the Finance Department.

MEMBER MOSS suggested this include the impacts from express and expedited review reductions. She also referenced miscellaneous revenues that the consultant did not count, but which staff does. MEMBER McOSKER referred to these as non-statutory fees, which are fees for optional services that customers may opt-in for; i.e., express plan review and same-day inspections, while statutory fees include plan review fees, permitting fees and other required fees. The consultant did not consider optional fees as a function of their overall revenue, which artificially raised some of the fees, so staff adjusted those.

In response to MEMBER TATUM'S question as to how many vacant positions were eliminated, MS. ESPEJO stated 11. In terms of the forecasted effort, MEMBER TATUM asked if they believe that is the right size to accommodate the resurgence of commercial development following the pandemic. MEMBER McOSKER stated everyone thought construction would come to a halt during the pandemic, but it stayed relatively stable. As they stand today, he believed them to be right sized for the volume of work they are anticipating over the next 12 months, but they will look for any radical changes in the industry after the first quarter and make the necessary modifications.

MEMBER MOSS asked if they are able to fill any vacancies due to upcoming retirements or other reasons to meet the anticipated commercial and residential demand this fiscal year. MEMBER McOSKER confirmed there are two new positions, and a net loss of nine, but if there is a vacancy, it is their intent to fill that position as soon as possible if the workload stays where it is currently. He added there is still a justification process, but there is no freeze, and they have the ability to fill vacant positions. He is committed to reviewing positions and only filling them as the need arises. He will be respectful of the Enterprise Fund and to the Committee and provide them with the best service, but not at an extreme cost to the industry.

CHAIR POTTER asked how many individuals perform plan checks and what percentage of the plans check is sent to third party reviewers. He also asked if the third party reviewers have raised their rates and what the

contract time period is. MEMBER McOSKER confirmed a number of plan review services are outsourced. It varies daily based on workload and staffing, but they try to balance what staff can do within a two-week window and evaluate what projects are coming in. He did not have exact percentages, but knows there is a budget line item of about \$1 million in Professional Services in the contract, with total labor being \$8 to \$9 million. They have six plan check reviewers doing non-structural plan reviews, but the amount they send out is significant. He noted the contract with the third party providers requires the City provide them with either 65 or 70 percent of the plan review fees that are collected from the clients.

10. Discussion regarding adoption of the 2021 building codes

Minutes:

MEMBER McOSKER stated the International Code Council (ICC), International Association of Plumbing and Mechanical Officials (IAPMO) and National Fire Protection Association (NFPA) publish codes on a three-year cycle, and 2021 is that cycle. ICC published the building and fire code in October 2020. The City of Las Vegas, in partnership with the City of Henderson, will be adopting the 2021 International Building Code and International Fire Code, along with the International Wildland-Urban Interface Code outside of the other jurisdictions. This is due to mid-rise requirements adopted by the City of Las Vegas and the City of Henderson and moving the high-rise elevation from 55 feet to 75 feet, which forces adoption of the code within two years of publication. In order to maintain the 75-foot definition of high-rise and the mid-rise provisions they took advantage of during the last code cycle, the City must adopt these three 2021 codes, and anything else will be maintained under the 2018 code until the 2024 cycle.

CHAIR POTTER asked when these three codes will be adopted. MEMBER McOSKER noted an unexpected decision from the State Legislature provides them with an extra year in which to adopt the codes. They used to have one year, but now have two years to adopt them. He believed the City will try to adopt the codes somewhat later in the two-year cycle in order to minimize the time the City will be inconsistent with other jurisdictions. They will work with the City of Henderson, so the timing is consistent and will be respectful of the industry partners. He estimated they will go before the City Council in about one year.

MEMBER TATUM noted having different codes in different jurisdictions will have a large impact on the commercial industry and asked about the outreach to communicate these changes to the industry. MEMBER McOSKER stated outreach started in May of this year, and he named the various organizations they reached out to regarding a broad discussion as to the direction they are heading. The City's intent is to take the 18 amendments and fold them into the 2021 code in an effort to minimize the differences. He recognized the impact to the industry and wanting to minimize that as much as possible, noting informal notifications have been done to try to get the word out. Senate Bill 33 added a third code to the list, but it also gave the City that extra year. They will seek industry feedback as far as what the amendments should look like, but it is his opinion that the mid-rise requirements and the high-rise definition of 75-feet should be maintained.

MEMBER TATUM asked if there is a basis of how to gauge the outreach effectiveness. MEMBER McOSKER said typically they receive guidance and direction from their industry partners, and they will look to their elected officials who set policy for the City as to what they feel is appropriate. If there are things they can do to improve the process and code, they will try to make that happen.

CHAIR POTTER reiterated it is nice when all jurisdictions use the same set of guidelines from building and architectural standpoints.

11. Report by Kevin McOsker, Director of the Department of Building & Safety, regarding an update on large commercial projects

Minutes:

MEMBER McOSKER stated one of the topics requested at the last Committee meeting was an update on major projects occurring in the city. He reported in 2020, there were three major projects: The Downtown Grand, which opened in Spring 2020; the World Market Expo Center, which opened in December 2020; and Circa, which is the biggest and most impactful project in the city of Las Vegas and the first new hotel on Fremont Street since 1974. The casino opened in October 2020, and Temporary Certificates of Occupancy were issued for the hotel in December, so they are fully operational.

Other projects include the City of Las Vegas Municipal Courthouse, which was issued a Certificate of Occupancy in May 2021; two residential projects in Symphony Park: Aspen Heights, which is about 60 percent open, with 100 percent anticipated in the next two to three weeks; and the Auric project, which is about 20 percent open, and expected to be fully open in the next two to three months.

As far as the future, Aspen Heights is looking at another project north of their current project, which will consist of a 20-story high-rise and some mid-rise residential units with mixed uses. They are already processing some of those applications, with the understanding the project will be submitted for plan review this fall. It is a fairly significant project that will change the skyline of both downtown and Symphony Park.

12. ABEYANCE ITEM – Report by Deputy Fire Chief Robert Nolan regarding an update on residential fire sprinkler inspections

Minutes:

DEPUTY FIRE CHIEF ROBERT NOLAN stated he prepared a report of inspection and plan check activities encompassing January through June 2020 and January through June 2021, which was submitted and is included in the backup. He reported there were 13,822 inspections the first six months of 2020, compared to 13,183 inspections the first six months of 2021, which is a decrease of about four to four and one-half percent. In 2020, they performed 3,634 development-related inspections, and of those, 3,622 were performed on the date the inspection was requested. In 2021, 4,618 development-related inspections were completed, and 4,588 were completed on the date requested.

He noted residential fire sprinkler inspections are tabulated via the single family development tract because a separate permit is not issued, and they are done as part of the tract. Of those tract inspections, 1,493 were completed in 2021, and 100 percent were inspected the same day requested. In 2020, 601 were completed, and 100 percent received their inspection the same day requested. He pointed out inspections are completed by the fire prevention staff, who are general funded. They perform a number of activities, are not a part of the Enterprise Fund, and there is no additional impact to development for providing these services. These services are provided directly through the General Fund and the staffing budgeted through Las Vegas Fire and Rescue.

He stated \$875,000 of the staffing budget for the engineering office is absorbed under the Enterprise Fund, and they are happy to participate in all aspects of fee accountability and turnaround time, as well as any other metrics with regard to the expectations of this Committee and the Building Official. He noted there were 3,753 reviews in 2020 and 3,777 in 2021, which reflects a slight increase. There were 146 land development reviews in 2020, and there have been 181 to date in 2021. Single family dwelling tract reviews totaled 233 in 2020, with 451 so far in 2021.

With regard to the performance metric, he referenced these as being a 14-day turnaround. In addition to increased prices and staffing issues, he noted performance indicators can also change over time. They have accepted 14 days as a standard, but if that were to change to a five- or seven-day turnaround, it could impact their costs and fees. MEMBER MOSS asked how this compared to the City of Henderson's turnaround. MR. NOLAN stated it was his understanding 14 days is the industry standard.

MR. NOLAN stated they were able to achieve the 14-day plan review turnaround 99 percent of the time with their existing staff of three Assistant Fire Protection Engineers. He referred to Page 5 of the report, which tabulates the over-the-counter and express plan reviews and pointed out that as the City has transferred to online submittals and has been able to achieve a very high rate of completion within the 14-day turnaround, there is less demand to request these services. Fire permits, however are different, as they are done commercially outside of a building permit. These include such things as upgrading a restaurant hood system, replacing a fire pump or doing a tenant improvement.

MEMBER MOSS thanked MR. NOLAN for his continued updates, as she realizes these reports are not easy to generate with the City's software, but she always appreciates the transparency and predictability of the turnaround times. MR. NOLAN stated they are always trying to improve the look and accessibility of their reports, and they have a ticket in with the Department of Information Technologies (IT) to provide even more up-to-date and meaningful statistics; however, IT is short-staffed.

Speaking to consistency throughout the valley with regard to code adoption, he stated while that is one of their goals, staff finds amendments to the base code they believe are beneficial to the development industry and

which eliminate the need for other unnecessary amendments, and this will sometimes place the City outside the consistency of other jurisdictions. He reiterated they will continue to be consistent to the greatest extent possible, but there are numerous examples he could provide where amendments throughout the valley are not particularly business friendly. He and the Building Official try to present not only the most consistent, but the most user-friendly fire and building codes. CHAIR POTTER appreciated the remarks.

MEMBER TATUM thanked MR. NOLAN and commended his team on their level of accomplishment.

13. **Discussion regarding topics for future agenda items.** Comments made during this portion of the agenda by individual members shall refer solely to proposals for future agenda items and any discussion shall be limited to whether or not such proposed items are within the purview of the Committee and/or whether such proposed items shall be placed on a future agenda. No discussion regarding the substance of any such proposed topic shall occur and no action shall be taken.

Minutes:

MEMBER MOSS requested a budget update that reflects non-statutory revenue, another update from DEPUTY FIRE CHIEF ROBERT NOLAN and a Department of Information Technologies software update with regard to deferred sprinklers and mirroring the deferred trusses process for those. MEMBER McOSKER welcomed these agenda items.

14. **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, come forward and 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:

MEMBER McOSKER thanked MEMBER APPELYARD for her involvement on the Committee and wished her the best on her retirement. MEMBER APPELYARD stated it has been a privilege to serve with the members and appreciated everything MEMBER McOSKER has done for the City and the Department of Building & Safety.

CHAIR POTTER welcomed MEMBER TATUM. MEMBER TATUM thanked the Committee for their patience while he learns all of the rules and stated it is an honor to be a part of this group.

15. **Adjournment**

Minutes:

The meeting was adjourned at 11:24 a.m.

Respectfully submitted:

Cheyenne LaRance, Deputy City Clerk

Kevin McOsker, Director of Building & Safety

Minutes Prepared by:

Debra A. Outland, Deputy City Clerk

THIS MEETING WAS 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
Howard Lieburn Senior Center, 6230 Garwood Avenue