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APPROVED 10/30/2007

Minutes of the regular meeting of the Building Enterprise Fund Advisory Committee held September 11, 2007 at the Administration Complex, Building A, 1001 E. Ninth Street, Reno, Nevada. Don Jeppson, County Building Official, called the meeting to order at 3:04 p.m. The committee was provided with documents containing the information to be covered in the meeting.

ROLL CALL

Committee Members Present: Don Jeppson, Jess Traver, Fred Taeubel, and Dave Pearce, Chairman
Tony Abreu, Vice-Chairman, Melanie Purcell (Left meeting at 3:30 pm)
Committee Members Absent: Dennis Johnson, Steve Hamilton
County Staff Present: Joanne Yori

DETERMINATION OF QUORUM: Quorum present

ADOPTION OF AGENDA

On motion by Tony Abreau with second by Fred Tauebel, and approved with a unanimous vote, the Agenda as posted was approved.

APPROVAL OF MINUTES FOR MEETING OF APRIL 4, 2007

On motion made by Tony Abreau with second by Jess Traver, and approved by unanimous vote, the minutes of the previous meeting as submitted was approved.

PUBLIC COMMENT

None

OLD BUSINESS

None

NEW BUSINESS

STRATEGIC PRIORITIES

Building & Safety Director, Don Jeppson, advised the committee that strategic planning had been underway for the past several months. However, it was recently tabled due to the staff reductions.

DIRECTOR'S REPORT

WORKFORCE REDUCTIONS, ANNUAL BUDGET, FEES

Committee member, Fred Taeubel, questioned who made the decision to reduce staffing since the committee had discussed the possibility but had made no recommendation as of the last meeting. Director, Don Jeppson, clarified that it was an operational decision made by him with approval of the County Manager. He then reviewed the fiscal year figures on the End of the Year Report. He recapped the series of events that led up to the determination of staff reductions beginning with a meeting held near the end of August with Human Resources and Budget & Finance. Discussed in this meeting were alternatives such as increased enforcement and an additional fee increase in January 2008. He noted also that the fee increase effective on July 1st, 2007 did not generate significant increased revenue. In a meeting with Building & Safety Department employees, options were presented for consideration of job sharing, possible early retirement or medical retirement if applicable with a final possibility of layoffs. Initially, a two (2) week time limit was set for employees to respond back to management if interested. However, the Human Resources Department began receiving inquiries from other county departments who were interested in recruiting some of the displaced employees prior to this deadline. Until these employees were officially notified of their lay off status through the workforce reduction process, they could not be placed in a priority consideration status and would jeopardize their recall rights if a position was offered and accepted by the employee. As a result, the reduction plan was accelerated to allow the staff affected to take advantage of these job opportunities. To date, three (3) of the affected employees have been placed in other departments, with another very close to placement. The remaining four (4) staff members that have been notified are working closely with Human Resources regarding job placement within the county.

The Summary Reports of Construction Activity and Permits Issued for the (calendar) years 2006 and 2007 were reviewed and compared to these reports by fiscal years 04/05 through 06/07. Numbers of permits issued and permit valuations were specifically addressed. Don Jeppson related to the committee the need to increase the permit fee while still encouraging compliance by the public on purchasing permits. The fees would be adjusted to attempt to generate additional revenue without being unrealistic and discouraging compliance. In response to the question asked, the Fiscal Year (FY) begins July 1st and ends June 30th. Chairman, Dave Pearce, asked about the total permits and total valuation figures between 2005-2007. Don Jeppson explained that the types of permits being issued had changed from Single Family Dwellings to smaller jobs such as remodels. This affects the fees collected due to the lower construction valuation of the project, even though the number of permits issued didn't appear dramatically reduced. Vice-Chairman, Tony Abreu questioned if the staff located in the Incline branch office would come to the Reno office if Incline were closed. Don confirmed this would be the case and also stated that the Memorandum of Understanding (MOU) with Incline Village GID was being reviewed for possible expansion. If an agreement is reached this could generate additional revenue. He also informed the committee that the TRPA revenue collected for the fiscal year 06/07 was greater than expected. Incline expenses were reduced by moving into county-owned space. The County Manager and the Board of County Commissioners (BOCC) do not support closing the branch at this time.

Budget review for FY 06/07 included reduced revenue figures from \$2.6M to \$1.9M as well as reduced operating expenses. The FY 07/08 expected revenue was originally set at \$3.1M but was reduced to \$2.2M, as the fee increases will still not generate enough revenue to meet the original estimate. Committee member, Jess Traver, questioned the budget revision and Don explained it was based on the direction of the Budget department. Jess also asked how the number of reduced staff was determined and referred to the minutes of the April 4, 2007. He commented that the possibility of staff reductions was

discussed in the previous meeting but a decision had not been made. He asked why the committee wasn't included in the decision process so that the members could provide support on the decision to the Board of County Commissioners (BOCC). Don responded that based on the current revenues and direction from Budget and Finance he had made the decision to reduce staffing and felt it required immediate attention.

The committee reviewed the Revenue-Expense 2-year comparison report. Jess asked about a comparison between service costs and services provided, referring to the payments made for support services provided to the department. Don reviewed the revenues collected and noted the \$500,000 budget savings of FY 06/07. He continued that traditionally the department hasn't spent all of the approved budget funds. The committee asked for clarification on the budget numbers used to determine staff reductions. Don offered to provide the committee with a draft of the revised budget once it was prepared. He continued by reviewing that with the proposed fee increase in January 2008 revenue was projected to be around \$2.2M. There would also be a \$2.7M expenditure reduction with the reduced staffing. The enterprise fund has been losing money for several years, some of which was planned to comply with the NRS requirements. However, if nothing had been done, the fund would be broke by the first part of 2008. After reviewing staffing needs, the reductions implemented were reducing 11 Building Inspector positions to 6 positions including a pending retirement next year, reducing by 1 Plans Examiner, 1 Office Assistant, and 3 Permit Technicians. The salary of the technology employee that the department has been funding for several years was also transferred to the Technology Services Department. Don explained that he preferred to only reduce staff once rather than have to repeat the process. The deadline for completion is October 31, 2007.

Discussion continued regarding fee strategies and anticipated future changes and revenue. The fund continues to lose with an expected loss this fiscal year of \$600,000 even with the staff reductions and fee increases. Management staff is currently evaluating the costs and services provided to other departments. Don reiterated the need for reductions but observed that possibly the process should have begun earlier. Unfortunately, excellent employees have been lost and had more time been available, the reduction may have been achieved through attrition. The fear, however, was that the fund would experience another \$1.6M loss. The department continues to look at other avenues for revenue. The inspectors are currently pursuing expired permits with fees for renewal and final inspection. Chairman, Dave Pearce, asked how staff was currently being used related to the time lapse between submission of plans and approval for permit. Don explained that the review process includes other departments who also impact the processing time and they can stop the process while waiting on a required document. Meetings with the other departments are underway to discuss the items each department is reviewing and to consider changes that would improve the turn around time. Deputy Building Official, Michael McCulloch is spearheading this process through the Permits Plus Zone committee. He has been directed and is fully supported by Assistant County Manager (ACM), David Childs, to set this as a high priority. Discussion continued on review times, the need for improved efficiency, and the committee endorsed Building and Safety setting review time limits for other departments. Don stated that Mike had been fully empowered by the ACM to achieve results. Jess asked for a distinction between Mike's duties and those of Don's. Don stated he will still be responsible for budget and administrative issues and that Mike was currently working on special projects and projects that had stalled. Don is currently working on a revised organizational chart indicating the workforce reduction. There are also other considerations regarding the Incline branch office such as reduced hours, utilizing their inspector in the south county area when available, possibly closing the branch altogether during the winter moratorium.

Committee member, Jess Traver, asked the question of the purpose of the committee. Don replied that he was uncertain although he felt that their primary duty was oversight of budget and spending, not involvement in personnel matters. The committee pursued the discussion regarding the BOCC's purpose for establishing the advisory committee based on NRS requirements. Jess followed up his original

question asking how the committee could support the Director's decisions to the BOCC. He suggested that the committee Chairman should be used as an ally as well as run the meetings and set the agenda. Also, the committee needed to be utilized to develop recommendations for Building Official consideration and should possibly have closer involvement with decision-making. Vice-Chairman, Tony Abreu strongly agreed with this recommendation. Chairman, Dave Pearce, requested having meeting documentation in advance to allow better review prior to the meeting. He continued that the committee supported the decision to pursue staff reductions but would prefer that the committee have more involvement in decisions regarding service levels and staffing related to budget concerns. He confirmed that the committee was advisory in nature and did not dictate policy, but made recommendations. Committee member, Fred Taebel stated that he felt the committee's function was to ensure the continued viability of the department. The committee Chairman concurred. Don agreed to work with the Budget department to condense the proposed budget and would provide it to the committee when completed. He welcomed additional input from the committee and asked the members for specifics. The committee responded that they would like more detail on the disbursements to other departments. Don noted that he was working with the involved departments to revise their expectations of the Building & Safety Department reimbursements. Don asked the committee for their input on budget revisions advising that the department would be developing an entirely new budget for the fiscal year as directed by the County Manager. The Chairman asked for a review of budget line items. Don provided clarification and added that fleet reduction was currently in progress for a reduction in expenses and that consideration of other operational changes were being looked into, such as leasing vehicles rather than purchasing. Jess Traver suggested that the Enterprise Fund Advisory Committee could make a recommendation on behalf of the department when ready to pursue. Vice-Chairman Tony Abreu requested a copy of the NRS chapter explaining the purpose of the committee and expected duties. The statutory reference, NRS 354.59893, was provided for Internet research until copies could be made. Chairman, Dave Pearce made a request for the next meeting that the committee be provided the reference materials as far in advance as possible and that establishing the function of the committee to be placed on the agenda. He also requested that detail be provided on the overhead and support services reimbursement items.

ADJOURNMENT

On motion by Chairman, Dave Pearce with second by Fred Taebel, and approved with a unanimous vote, the meeting was adjourned at 5:05 p.m.