City of Las Vegas
Department of Building and Safety
Value Based Fee Schedule Analysis

Presented by:
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Goal:
Cover costs for the Department of Building and Safety, while maintaining the mission of “...provid[ing] reasonable controls for the construction, use and occupancy of buildings to ensure public safety” (City of Las Vegas).
Recommendations

- Based on CPI analysis - applying one time 25% increase to base permit fees and valuation schedules.

or

- Updating to a current Building Valuation Schedule and possibly reducing overall base permit fees.
How did we get there?
Summary of the Problem

- Limitations have been placed on Department by statute, city ordinance and administrative code.

- Current methods for generating revenues are based on antiquated fee & valuation schedules.

- Current budgeting does not include a line item for the allowable reserves.
Policy Questions

1. Is the environment ripe for restructuring the valuation and/or fee schedules?

2. Will restructuring the fee and/or valuation schedules enable the Building and Safety Department to cover the cost necessary to maintain its mission?
BUILDING & SAFETY
1997 – 2010 Listings of Positions

-47% from Prior Yr

-58%
# Key Result Measures

Information provided by the City of Las Vegas Building and Safety Department.

* Red indicates 15% or more under target percent.
Western Urban Non-Seasonally Adjusted Annual Average
(Base Period December 1977 = 100)

CPI Analysis

30.25%
Fee Analysis

Overall
- Residential: 12%
- Commercial: 13%
- Overall: 13%

Other*
- Residential: 37%
- Commercial: 35%
- Overall: 36%

City of Las Vegas

Blended Application
- Residential: 24%
- Commercial: 24%
- Overall: 24%

* Highs and lows were removed from analysis
Valuation Analysis

City of Las Vegas

Overall
- Local: 6%
- Residential: 10%
- Commercial: 1%
- Other: 121%
- IBC: 111%

Overall
- Local: 6%
- Residential: 10%
- Commercial: 1%
- Other: 121%
- IBC: 111%

City of Las Vegas
So What?
## Break Even Analysis

<table>
<thead>
<tr>
<th>In millions</th>
<th>Based on CPI</th>
<th>Based on Valuation</th>
<th>Over/Under Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Revenue</td>
<td>7.7</td>
<td>7.7</td>
<td>7.7</td>
</tr>
<tr>
<td>Actual Bldg Revenue</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Actual Non-Bldg Revenue</td>
<td>.4</td>
<td>.4</td>
<td>.4</td>
</tr>
<tr>
<td>Potential Bldg Rev</td>
<td>8.9</td>
<td>12.8</td>
<td>11.2</td>
</tr>
<tr>
<td>Indicated Potential Revenue</td>
<td>9.3</td>
<td>13.2</td>
<td>11.6</td>
</tr>
<tr>
<td>Actual Expenses</td>
<td>(7.7)</td>
<td>(7.7)</td>
<td>(7.7)</td>
</tr>
<tr>
<td>Allowable Reserves</td>
<td>(3.8)</td>
<td>(3.8)</td>
<td>(3.8)</td>
</tr>
<tr>
<td>Exp including Reserves</td>
<td>(11.6)</td>
<td>(11.6)</td>
<td>(11.6)</td>
</tr>
<tr>
<td>Under/Over Exp including Reserves</td>
<td>(2.2)</td>
<td>1.6</td>
<td>0.0</td>
</tr>
</tbody>
</table>

% Under/Over
-25%    12%    0%
Recommendations

- Based on CPI analysis - applying one time 25% increase to base permit fees and valuation schedules.

or

- Updating to a current Building Valuation Schedule and possibly reducing overall base permit fees.
Additional Recommendations

- Improve the tracking of inspection hours
- Investigating non-permitted work via a partnership with Business Licensing & the Fire Department
- Investigate a joint venture with Clark County to develop a Memorandum of Understanding (MOU).
- Include the 50% reserves as line item in budget
Questions
References

City of Las Vegas (CLV), Building and Safety web site retrieved April 2, 2010 from http://www.lasvegasnevada.gov/Government/buildingandsafety.htm

City of Las Vegas (CLV), Uniform Administrative Code, 2006 Ordinance 5884, section 304.2


Knight, Christopher, Director of the City of Las Vegas Department of Building and Safety with Yolanda Palomo, Management Analyst for the City of Las Vegas. “Interview: Questions and Answers.” City of Las Vegas, Department of Building and Safety, 761 Fourth Street, Las Vegas, NV 89011. 15, Mar, 2010.

Las Vegas Metropolitan Code (LVMC) 16.02.010B which repeals the Uniform Administrative Code 1997 Edition


N.R.S. § 354.59891 Limitations on fees for building permits, barricade permits, encroachment permits and enterprise fund requirements.