

Opinion: Douglas County wrestling with declining revenues

By Steve Mokrohisky

Douglas County has faced significant economic challenges recently. Over the past four years, assessed property values have decreased by nearly \$1 billion, and sales tax, room tax, gaming and building revenues have all declined.

The general fund, including sheriff, district attorney, judicial, community development and general services, has cut over \$4 million in expenses. At the same time, the demand for public services and costs from the state of Nevada continue to increase. The state has increased its costs to the county by over \$500,000.



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In order to manage the reduction in revenues and increase in expenses, positions have been eliminated, regional partnerships and privatization have been initiated, and employees have absorbed health insurance and retirement costs, as well as salary cuts. Over 65 full-time equivalent positions have been eliminated since 2008 and many more positions continue to be held vacant to reduce costs.

For fiscal year (FY) 2011-12, county employees took the equivalent of a 5 percent pay cut and will receive no merit increases. Additionally, it is the county's policy that increases in health insurance costs are borne by the employee, not the taxpayer.

The county has completed a five-year financial forecast of the general fund with the revenue and expense information currently available. The forecast projects an approximate \$3 million shortfall in the general fund for next fiscal year that would grow to \$5.8 million in FY16-17 if wages are restored to previous levels. If current wage reductions continue, next year's shortfall would shrink to nearly \$1.5 million.

With these early projections and no legislative session this year, we have begun work earlier than normal to identify solutions to fix the structural imbalance. Douglas County will need to continue to be diligent in implementing sound financial practices, reducing costs, stabilizing revenues, and using innovative solutions to eliminate the shortfalls and provide the highest quality services possible to our residents.

Budget facts:

- Sales tax revenue has decreased 35 percent since 2006
- Room tax revenue has decreased 30 percent since 2006
- Building related revenue has decreased 67 percent since 2006
- 65 full-time equivalent positions have been eliminated since 2008
- Participation in recreation programs has increased 3 percent since 2006
- Sheriff calls for service have increased 8 percent since 2007

- Registered library borrowers as a percent of population is 72 percent – a 32 percent increase since 2006
- Social Service clients have increased 46 percent since 2006.

Steve Mokrohisky is manager of Douglas County.