

# Douglas County on stable financial ground



By Susan Wood

GARDNERVILLE – Douglas County appears in adequate shape according to those who man the coffers, but it has a long way to go in returning to the pre-recession banner years in which revenues were more vertical.

That said, diversity may be just what the Nevada county surrounding highways 395 and 50 needs to surpass a marginal 2 percent growth officials project it will experience in at least the year going forward.

Friday begins a new fiscal year for Douglas County; a jurisdiction characterized by the geo diversity of sprawling Carson Valley farms and towering Lake Tahoe casinos.

With a population of 47,710 (as of July 2015) over 738 square miles, Douglas County on June 28 discussed the 2016-17 \$175.3 million budget – roughly \$7 million more than the prior year.

Douglas officials work with a five-year plan as a “priority-based budget,” the first county to do so in the United States.

Priorities include improving cost effectiveness, pursuing alternative service providers, having regional collaboration,

and investing resources based on the critical areas.

To accomplish this, county officials sought well-rounded, all-inclusive assistance to come up with a list of goals and must-dos.



The Ridge Tahoe was singled out by Douglas County officials June 28. Photos/Susan Wood

“We needed to engage policymakers, employees and the community,” said Assistant County Manager Christine Vuletich, who made the budget presentation to about 50 people at the Carson Valley Inn on June 28.

“The county is in good economic health, but that doesn’t mean we can rest on our laurels,” she summarized “We have challenges, but we also have opportunities.”

Back in 2009, county leaders knew it had mountains to climb in terms of overcoming weak economic growth, a drop in building permits, baby boomers retiring but spending less, and skyrocketing unemployment that peaked in 2010 at 14 percent. In comparison, it was 4.3 percent in 2005. This year, it came in at 6.2 percent.

Part of this Nevada unemployment had to come from Douglas County's own labor force, which was reduced by 80 staffers between 2010-12 to sustain financial stability.

After all, the major portion of a county's General Fund expense is personnel at 71 percent, which dwarfs other costs.

Public safety makes up the largest chunk of resources spent for county services at 30 percent, followed by culture and recreation consuming half that.

On the other side of the coin, General Fund revenue for the county is dominated by property tax at 45 percent. And the housing market also experienced a crunch in recent years.

As for other challenges, many local governments struggle with keeping afloat with rising costs from retiring personnel.

When asked how the county plans to balance those increasing expenses, Vuletich responded after the meeting: "We planned for that."

Nonetheless, the county's chief financial officer called the latest numbers highlighting more Nevadans entering or re-entering the workforce after a long-fought battle with the jobs market as "one bright spot" that the local economy is pulling itself by its bootstraps.

"Douglas County continues to make great progress despite the financial and infrastructure challenges we face," interim County Manager Larry Werner said in a statement. "We must focus on capital improvement and asset projects and continue to invest in our greatest asset – a high performing workforce."

More jobs in transportation, trade, construction and education mark a path to prosperity. These are things the task force hoped for when creating the county's Economic Vitality Plan in 2010. They are keeping an eye out for possible trends,

possibilities and opportunities to further nurture.

Other areas of potential revenue revolve around aviation, with the Minden Tahoe Airport being home to 20 businesses.

In the past, the economic drivers were limited to tourism and construction – but both industries plummeted in the recession. Now diversity is the key. And whereas tourism will always have a place in helping to boost revenue, the county is seeking and encouraging businesses that offer other options. This may mean tourism-oriented businesses reinventing themselves.

If the county's "Spotlight" awards of businesses of the year are any indication, then entrepreneurs may be responding to the call. They were honored Tuesday night. Two are based at Lake Tahoe – one new, one seasoned.

- Round Hill Pines Beach Resort received the award in the Sports and Recreation category
- Ridge Tahoe received the award in the Tourism and Hospitality category
- Continuum Packing Solutions received the award in the Manufacturing and Production Category
- Battle Born Wine received the award in the Retail category
- Jacobs Family Berry Farm received the award in the Entrepreneur category
- Valley Eyecare and Eyewear Gallery received the award in the Business and Professional Services category
- The Pink House received the award in the Restaurant category.

Lisa Granahan, the county's economic vitality manager, highlighted a few points of interest driving the county

economic engine that appear to echo some of the award winners.

“We have a real opportunity in the manufacturing sector, showing an 11 percent growth in the last few year,” she said, adding the industry has become a focus given its association with better incomes for county workers.

What tops the list?

Granahan cited outdoor, recreation and lifestyle.

Pertaining to the lake, the econ manager believes recreation and entertainment represent the keys to prosperity.

“Gaming is part of the economy, but it’s not the driver,” she said.

What is an area to improve on?

“Transit,” Granahan responded, without batting an eyelash. “Look at Park City,” she said of a successful example. “We leave a huge amount of money on the table from (transit).”