

Commissioners...as we are about to report to you on the first quarter of 2014 and begin the kick off of another budget process, I would like to take just a moment to reflect on some of the ground we have covered getting here.

2013 was certainly a year of change and transition for Clark County government with possibly more yet to come as our freeholders prepare their charter proposal.

While change meant the loss of some experienced managers, that loss spurred the challenge of flattening the organizational structure to eliminate a number of executive positions saving over a million dollars per biennium without affecting the front line workers who provide the direct services to our citizens.

The change presented an opportunity for a cohesive, cooperative finance team to bring a holistic focus to our financial management. This has already resulted in a responsible fund balance policy and disciplined financial advice in achieving that policy's goals. In 2014, the finance team will begin the work of creating a Comprehensive Financial Plan for the county's future stability. I want to personally thank the Auditor and the Treasurer for their support in making this possible.

Last year, we changed our view of managing our parks. Although it is still too soon to tell what savings we will see this year as a result of some start up costs, I am very happy to report that the 2015-16 Baseline Budget for parks will reflect a savings of \$760,000 across the overall parks program and a savings of over \$1 million to the General Fund. Heath Henderson, Bill Bjerke, Lori Pearce and their staff have done an amazing job in handling the transition and creating the savings with no reductions in parks maintenance or services.

Last year, uncertainty over the potential impacts of the commercial building fee waiver program prompted us to take the conservative approach of budgeting for a worst case scenario of \$3.6 million dollars of General Fund. That worst case has not come to pass and to date the impacts of the fee waivers have been contained within the normal subsidy provided to the Building Fund. This allowed me to return \$1.8 million to General Fund reserves in our recent supplemental budget. I

anticipate being able to do the same with the other half of the \$3.6 million at the end of this year.

Despite the changes and the challenges and the structural deficit, we continue to manage through and make progress in meeting critical needs such as our recent additions to the Sheriff's department.

Thanks to the efforts of the management team, our independent elected officials and their hard working staff, we are turning challenge and change into positive outcomes.

In a few weeks we will officially kickoff the 2015-16 Budget Process and open the budget system to departments.

We started building our baseline with a \$9.7 million dollar gap between our forecast revenues and expenses in the General Fund. Thanks to the efforts of budget staff and the expertise of the finance team, I believe we will be able to start our process with a balanced baseline budget in the General Fund.

While there will likely be no room for growth in 15-16, we should be able to meet the Board's mandate of maintaining financial flexibility, maintaining current service levels and achieving our fund balance goals.

I wish I could tell you that our challenges are behind us, but some still remain. However, I am confident we will continue to find the ingenuity and staff expertise to find solutions that work.