

**BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY, NEVADA**

TUESDAY

9:00 A.M.

JANUARY 27, 2026

PRESENT:

Clara Andriola, Chair
Mariluz Garcia, Vice Chair
Jeanne Herman, Commissioner
Michael Clark, Commissioner
Alexis Hill, Commissioner

Janis Galassini, County Clerk
Kate Thomas, County Manager
Michael Large, Chief Deputy District Attorney

The Washoe County Board of Commissioners convened at 9:00 a.m. in special session in the Commission Chambers of the Washoe County Administration Complex, 1001 East Ninth Street, Reno, Nevada. Following the Pledge of Allegiance to the flag of our Country, County Clerk Jan Galassini called roll and the Board conducted the following business:

26-0080 AGENDA ITEM 3 Public Comment.

Pam Darr acknowledged the meeting was a workshop and guessed that meant the Board would take ideas. She mentioned she would share some. Nationally, she stated, there was a conversation about getting rid of property taxes, and she thought it was great. She asked the Board if they agreed. She wondered if everybody would love to get rid of property taxes. She stated that, in reality, she knew it would not be easy, but when looking at ideas to pass on responsibilities to corporations, it seemed like everybody wanted to tax millionaires and billionaires. She stated that it always ended up on the middle class. She suggested offering programs for corporations, like having them sponsor the homeless to get them off the streets. She stated that she could not take it anymore and found it heartbreaking that homelessness was everywhere. She suggested giving corporations a benefit to both help the homeless and provide them with employment, along with a reason to live. She pointed out that every day a homeless person stayed on the streets was another chance for them to die there, and that every dollar a person gave them was an opportunity to purchase drugs and die. She suggested researching ways to lessen some of the burden on taxpayers, which, she noted, was getting worse, and hoped that idea might make things better. She insisted that it was worth a discussion and clarified that it was one of many ideas that could be done, without putting an extra burden on the taxpayer. She shared that when she was growing up, she had a job with good benefits, but now corporations were moving away from health care and putting it on taxpayers. She stated that the middle class was shrinking, so she asked her representatives to explore unconventional ways to address the problem to help future generations. She stated she only had two cats and a turtle, but

that she wanted future generations to have the opportunities and benefits that she had. She added that when she left the workforce, she saw businesses take away things. She thought it might be time for them to put the middle class first for a while.

Janet Butcher submitted documentation, which was placed on file with the Clerk. She stated that she was submitting a list of similar-sized counties across the United States (US). She clarified that she had spoken about the matter before. Washoe County, she said, was two to three times larger than those other counties and suggested there must be a lot of waste in the County. She stated that only a few of those other counties came close to Washoe County's budget. She stated that she took the time to do a comparison on a couple of the counties but stopped because she felt it was a waste of time because the Commissioners did not care or listen. She alleged she had presented the information previously and that her time would be better spent elsewhere. She declared that Washoe County expenditures must be reduced everywhere and that it was time to be physically prudent. She stated that it did not make sense why Washoe County could not research where the extra money was going. She asked whether the County was importing people or perhaps paying for things it did not need to. She stated that she had heard discussion about people coming into the Cares Campus from other counties. She feared the new mental health facility and asked if people would be taken there from other counties or states. She wondered what the citizens were paying for. She stated that she just wanted to wish the Board good luck. She reiterated that the Commissioners needed to take a good look at expenses and rein them in. She stated that people did so to their home budgets, so the County could do the same to its budget to put people first before developers.

26-0081 **AGENDA ITEM 4** Budget Workshop and Updates to the Board: This is a workshop item. The purpose of the Budget Workshop is to provide the Board with information in preparation for the budget process. Topics of discussion include national and regional economic updates, review of county financials, review of updated five-year forecast, an overview of county services, and a strategic overlook. (All Commission Districts.)

County Manager (CM) Kate Thomas welcomed everyone and introduced the concept of the Board of County Commissioners (BCC) workshop meetings. She noted that the workshop meeting format was the result of a recommendation from an assessment of the Office of the County Manager (OCM). She explained that the workshop meeting format would be an in-depth exploration of key topics, conducted quarterly to allow the Board, staff, and the public an opportunity to learn about essential concepts such as the County's budget and strategic planning. She stated that the BCC would host two meetings each month rather than three, a change recommended by the OCM assessment and a schedule similar to that of other large governmental organizations, such as the City of Las Vegas, Clark County, and the City of Reno. She explained that the BCC's workshop meetings would complement the two monthly meetings, as the workshops were not intended for policy-setting but rather for an educational and immersive exploration of key topics. She thanked Chair Andriola, noting that she had provided a great suggestion for the workshop meeting to begin with a national overview of the economy with the County's investment partners. She introduced Washoe County Treasurer Justin Taylor. Mr. Taylor

stated that he was pleased to introduce Buckhead Capital Management (BCM) Portfolio Manager Matthew Boden, Chartered Financial Analyst (CFA). He explained that Mr. Boden was also the County investment advisor and would be briefing the Board on broad national economic trends. He noted that BCM Fixed Income was an institutional fixed-income management team focused primarily on serving public-sector and healthcare clients. He stated that BCM Fixed Income had extensive experience managing clients' assets throughout Nevada, with approximately 90 percent of its assets under management allocated to public entities. He reported that BCM Fixed Income had served entities in Nevada for more than 25 years and maintained offices in Reno and Atlanta, Georgia. Mr. Boden introduced himself and noted that he was joined by BCM Advisor and Portfolio Manager Kathryn Stratton, CFA, for his presentation. He explained that he and Ms. Stratton were part of the BCM Fixed Income team, which managed the County's investment pool. He stated that he was very appreciative of the opportunity to share his organization's perspective on markets and the economy with the Board.

Mr. Boden conducted a PowerPoint presentation and reviewed slides with the following titles: Economic Update for the Board of County Commissioners; Competing Forces Shaping the Rate Path; Outlook for Fed Funds; Atlanta Fed Predicts Higher than Consensus GDP Growth; Break-Even Employment Has Moved Significantly Lower; Low Hiring, Low Firing: Doing More With Less; The "K-Shaped" Economy; Signs of Stress for the Consumer; CPI Contributors and YoY Reading; CPI Shelter Component vs. Observed Housing Costs; Affordability: Costs Outpacing Income Growth; Inflation Leads to Affordability Challenge; Fixed Income Process: Strategy Overview; Performance Summary.

Mr. Boden displayed the *Competing Forces Shaping the Rate Path* slide. He explained that when discussing the economy, one of BCM's partners, Portfolio Manager Rick Nelson, with whom he had worked for over 20 years, would begin by creating a T-ledger like the one shown on the slide. He noted that the ledger was similar to one an accountant might use, with one side showing factors he believed could lead to higher rates and faster economic growth, while the other side listed factors he predicted could lead to lower rates and slower economic growth. He explained that after comparing the different sides of the ledger, a scale could be established to determine which events were more likely to occur or whether the economic status would remain fairly balanced as it currently was. He acknowledged that there were risks on both sides of the ledger at the time, which made the United States (US) Federal Reserve's job very difficult, given its dual mandate to balance risks to unemployment and inflation. He explained that maintaining such a balance was becoming increasingly difficult because of the many unprecedented economic impacts occurring simultaneously, which made it challenging for market strategists and economists like him to predict economic changes. He explained that there were many unprecedented and conflicting factors impacting various aspects of the economy, driving its status to change. He acknowledged that many factors could impact the labor market, and he noted that one topic often discussed was the potential impact of artificial intelligence (AI) on jobs and how that would affect growth and employment across the Country. He explained that BCM also investigated matters such as immigration policies and how the current state of

those affairs could affect the potential labor supply, wages in the US, and the potential for growth.

Mr. Boden reported that the composition of the Federal Reserve Board would be changing within the year, as the term of Federal Reserve Board Chairman Jerome Powell was expected to end in May. He indicated that it was very apparent that Mr. Powell would not be reappointed to his position at the end of his term, and there was a small list of four candidates who could potentially fill that role. He noted that, regardless of who was chosen for the position, one prerequisite for the role was a strong desire and propensity to secure lower interest rates, which meant that the political shift in the Federal Reserve Board's composition would signal a transition towards leadership that would institute such a change. He explained that those interest rates were set by the members of the Federal Open Market Committee (FOMC), who voted on those matters during their meetings. He reported that the FOMC members had become significantly more vocal recently. He opined that the Federal Reserve Board had become more politically engaged and explained that, while the entity's intent was to remain apolitical, it had always been fairly politically involved. He elaborated that members of the Federal Reserve Board had shown greater willingness to express dissenting opinions, and BCM believed that a new chairman might encourage the committee to coalesce around the idea of implementing lower interest rates. He reported that the Federal Reserve Board had historically resisted such messaging in the past and had expressed varied opinions about the direction of economic growth in the US, underscoring the current level of economic uncertainty. He reiterated that such unpredictability made it challenging to anticipate future changes. He disclosed that he would discuss politically sensitive topics throughout his presentation. He noted that his job as a market strategist and investment professional was not to opine on policy, but rather to interpret it and understand the ways it could impact the market and the County's investment portfolio. He acknowledged that matters such as immigration were multifaceted and involved very personal aspects, and he reiterated that he was not attempting to make any political statement about the topic itself during his presentation, but rather to explain how BCM expected it could ultimately impact the economy and the County's portfolios.

Mr. Boden introduced the *Outlook for Fed Funds* slide and referred to the chart at the top of the slide as a dot plot, noting that it showed how the 19 members of the FOMC forecasted the federal funds interest rates at the end of the following three years. He explained that the chart also included a long-term measure for those predictions, reflecting the FOMC's assessment of the future neutral rate of federal funds. He noted that each dot on the chart represented a vote from one of the 19 FOMC members. He opined that the most significant aspect of the chart was the dispersion and variation in FOMC members' opinions regarding interest rate changes. He referred to the left side of the chart representing 2026 and noted that eight members of the FOMC predicted there would be little to no change in the federal funds interest rates, while other members foresaw very aggressive reductions. He acknowledged that there was one dot near the bottom of the chart, noting that although the votes cast by FOMC members were not made public, he believed it was obvious that Federal Reserve Governor Stephen Miran was responsible for the outlier vote. He explained that Mr. Miran was appointed by the presidential administration during the summer of 2025 to a temporary position on the FOMC, which

coincided with the timing of the outlier vote, and he expressed his belief that such events made it evident that the vote belonged to Mr. Miran. He reiterated that Mr. Miran's vote supported the idea that his appointment to the FOMC was a politically motivated action to increase the number of dots on the chart appearing closer to the bottom. He stated that there were 19 dots for each year on the chart, representing the votes of the 19 FOMC members, which were widely dispersed and demonstrated a range of opinions about how much interest rates would change.

Mr. Boden referred to the *Long-Term* category on the right side of the chart at the top of the slide, explaining that it reflected the FOMC's long-term range of opinions. He explained that people often cited the Federal Reserve's long-term neutral interest rate as 3 percent, which he described as the central tendency of the FOMC's votes. He reiterated that the orange line on the chart represented the central tendency of the 19 FOMC votes and reported that it was at a 3 percent rate in the chart's *Long Term* category, though he acknowledged that the central tendency within that category reflected the opinions of only 5 out of the 19 members. He noted that there was a very wide range of opinions, with some FOMC members predicting that the 2026 interest rates would be similar to their long-term estimates, while others expected long-term interest rates to be significantly lower than they were currently. He stated that, despite significant divergence of opinion among FOMC members, there was a general consensus on a shift towards lower interest rates over time, as reflected by the central-tendency line, which declined progressively over the years on the chart. He explained that the chart at the bottom of the slide showed what the market suggested the implied federal funds interest rate would be over time. He noted that the market had not always aligned with other predictions about federal funds interest rates, and he recalled that over the previous few years, BCM had observed a significant divergence between the market and the FOMC. He explained that the projections by both the FOMC and the market had been aligning over time, suggesting agreement that the interest rates would decrease to a lower 3 percent range.

Mr. Boden displayed the *Atlanta Fed Predicts Higher than Consensus GDP Growth* slide. He explained that the US economy was experiencing unexpectedly strong growth in the first quarter of 2026. He referred to the chart on the slide, noting that it was an estimate of Gross Domestic Product (GDP) released by the Federal Reserve Bank of Atlanta, known as the *Atlanta Fed GDPNow*. He explained that the blue line at the bottom of the chart showed the Blue Chip consensus GDP estimate, determined by industry experts who forecast US GDP growth. He reported that the Blue Chip consensus estimate was a GDP growth rate just below 1 percent, with a possible range spanning from negative growth to just under 2 percent. He explained that the *Atlanta Fed GDPNow* line reflected how the Federal Reserve Bank of Atlanta processed and updated real economic data as it was received, which would then be reflected in their models that track the status of GDP growth quarterly. He used the metaphor of a marathon runner to describe the fluidity of economic changes, explaining that if a runner completed the first mile of a marathon in five minutes, it did not mean they could maintain that pace for the entire 26 miles. He reported that a substantial amount of the fourth-quarter 2025 data had already been gathered, showing that the economy was performing surprisingly well, with GDP growth exceeding 5 percent for that period, which was well above forecasts. However, he noted

that the source of that growth could pose challenges for the Federal Reserve and complicate matters in the future.

Mr. Boden described the formula listed near the top of the slide, noting that math was expected in discussions regarding fixed income and the economy. He explained that the equation showed that the rate of economic growth could be calculated by adding the growth of the labor force to the productivity each person in the workforce contributed. He explained that the way economic growth was occurring was what had been making the jobs of economists and market strategists very difficult. He noted that a quote from market strategist David Zervos had been included on the slide. He explained that in the quote, Mr. Zervos asked people to imagine a situation where a 3.5 or 4 percent growth occurred in the economy while jobs were simultaneously being lost and the unemployment rate was increasing, specifically due to AI and productivity concerns. He stated that the quote further described how Mr. Zervos had been told in meetings by many individuals within the AI industry that three to five million jobs could be lost over the following three to four years, or even sooner. Mr. Boden mused on how the market and the Federal Reserve would respond if economic growth potentially occurred alongside increased unemployment. He stated that economic pressure from factors such as inflation and economic growth rates had increased despite no new jobs being added. He reiterated that those factors made the Federal Reserve's job very difficult because the entity had only one tool, which was its influence on interest rates. He explained that interest rates did not affect inflation and jobs in the same way, so when the Federal Reserve began acting, it found it could not fight both rising unemployment and rising inflation at the same time. He concluded that those factors made it very difficult for the Federal Reserve to respond to the situation.

Mr. Boden showed the slide titled *Break-Even Employment Has Moved Significantly Lower*. He recalled that when he first began working in the industry, he was told each time he received the employment report on the first Friday of every month, that 150,000 jobs needed to be produced in the national economy to achieve an equilibrium rate and keep up with population growth. He reported that population growth rates had changed in recent years, with a substantial increase during 2022 and 2023, followed by a decline to very low levels in 2026. He noted that economic models were not built to address variations of that kind, as population growth patterns in the US had always been constant. He reiterated that he had considered the 150,000 new jobs per month statistic to be a neutral figure throughout his career, but he reported that the Federal Reserve Bank of Dallas had conducted a survey the previous fall that revealed how changing population dynamics impacted that figure. He explained that the orange line in the slide's graph represented the estimated equilibrium rate for new jobs each month. He noted that the line for 2022 on the left side of the graph reflected the standard 150,000 new jobs per month statistic he had previously referenced, while the data for 2023 and 2024 showed a substantial influx of immigration to the US. He explained that the blue bars on the graph represented the number of monthly non-farm payroll jobs generated over a given period. He reported that approximately 150,000 of those jobs were generated per month in 2023 and 2024, so participants, strategists, and economists in the market believed that such data indicated the economy was doing well. He elaborated that, according to calculations by the Federal Reserve Bank of Dallas, the economy actually required 250,000 jobs per month rather than

150,000 to accommodate increased population growth during that period. He explained that, despite the job creation rate being very healthy by historical standards during that period, the unemployment rate had increased because more people were entering the Country, which impacted the ratio.

Mr. Boden stated that, because of dramatic shifts in immigration and population statistics in 2026 having indicated a nearly zero net population growth rate in the US for the first time ever, the Federal Reserve Bank of Dallas currently estimated an equilibrium rate ranging from 30,000 to 40,000 new jobs per month being needed to account for population levels. He reported that over the past four to six months, statistics had shown a rate of approximately 30,000 to 40,000 new jobs per month. He acknowledged that, while economists and market participants had spoken of anemic job growth and a weakening labor market, he contested that the current rate of job growth was in balance with what the economy needed, given the recent shift in population dynamics. He opined that fluctuations in immigration and population statistics were another factor that increased the difficulty of an economist's job, as they had to regularly consider when such changes might become the new standard. He explained that the economy had settled into a new equilibrium, with much lower hiring and employment levels, which prompted the question and concern of whether the economy would stabilize at those rates in the long term, and whether the labor market had weakened to a balanced level that was consistent with the population dynamics and growth coincidentally. He opined that it was likely not a coincidence, but he acknowledged that the concern in such a case was that the labor market might continue to weaken, which demonstrated the argument of those on the Federal Reserve Board who contended that interest rates needed to be reduced proactively when signs of the labor market declining were present, as those decreases did not usually end unassisted.

Mr. Boden displayed the *Low Hiring, Low Firing: Doing More With Less* slide. He referred to the equation for GDP growth included on the *Atlanta Fed Predicts Higher than Consensus GDP Growth* slide, noting that if the rate of population growth in the equation were zero, but the result of the equation was a 5 percent increase in GDP growth being generated, the variable that contributed entirely to that result would have to be from a change in labor productivity. He explained that the chart on the *Low Hiring, Low Firing: Doing More With Less* slide listed statistics on labor productivity growth. He reported that labor productivity in the third and fourth quarters of 2025 had increased to a rate of 5 percent, accounting for the entirety of the coinciding 5 percent increase in GDP growth during that period. He noted that the data for the first quarter of 2026 had not yet been received, but he reiterated that those values were expected to be very substantial. He explained that BCM did not suspect that the increased labor productivity growth rate observed to date could be entirely attributed to AI. He opined that the increase had been more a function of the labor market's environment shifting to low hiring and firing, with corporations and governments transitioning to conducting more operations with fewer resources. He explained that productivity growth would increase substantially as production rates remained high while organizations operated more cost-effectively. He acknowledged that such growth prompted the question of how sustainable those rates would be going forward, and he referred to the quote at the bottom of the slide from 1999

by economist and former Chair of the Federal Reserve, Alan Greenspan. He noted that the quote referred to concerns at the time about the advancement of the internet and how it could impact productivity and job availability, as many people feared it would cause widespread unemployment. He explained that advances in the internet had primarily created many more programmer positions at companies like Google, but economists were still waiting to see how modern technological advances would impact the labor market.

Mr. Boden showed the slide titled *The “K-Shaped” Economy*. He reported that the economy had experienced very high aggregate growth, though he acknowledged that significantly different economic outcomes were being observed across various groups. He explained that some people were benefiting substantially from the current economy, while others were experiencing the opposite, a phenomenon he referred to as a *K-shaped Economy*. He noted that the amount of financial assets a person owned determined how well they were doing in the current economic environment. He referred to the graph titled *Owner-Occupied Real Estate Market Value*, explaining that if a person owned their home, it would have risen by 110 percent in value over the previous 10 years, and that housing represents the largest financial asset most people own. He described the graph titled *S&P 500 Index* and noted that the Standard & Poor's 500 (S&P 500) stock market index had risen by 265 percent over the previous 10 years, indicating that people who owned stocks were doing very well financially. He noted that interest earnings on savings rates were a material source of income for people who owned financial assets. He referred to the chart titled *Assets by Wealth Percentile (Q3 2025)*, explaining that the *Bottom 50%* category demonstrated an economic issue, indicating that the bottom 50 percent of US households by wealth owned almost none of the financial assets he had mentioned previously. He reported that the majority of the financial assets nationally were owned by the top 10 percent of households by wealth. He explained that the effects of owning financial assets largely affected household income, as wages were not keeping up with inflation, but asset prices were. He reiterated that there was a divergence between those succeeding in the current economy and those not.

Mr. Boden introduced the *Signs of Stress for the Consumer* slide, explaining that BCM had observed additional signs of financial stress among consumers. He acknowledged that the slide included substantial information in the various graphs and noted that the graph on the left showed the percentage of balances that were 90 days or more delinquent by loan type. He explained that the light blue line on that graph represented credit card loan delinquencies, a statistic that continued to increase toward the point of a financial crisis, similar to the levels of delinquency experienced during the 2008 Great Recession. He stated that the green line on that graph represented auto loan delinquencies, noting that BCM monitored the statistics for that category most closely, as vehicle-related loans were the last type of loan a person would go delinquent on. He reported a recent, noticeable increase in auto loan delinquencies. He noted that, while the increased rate of delinquencies for auto loans was not even close to the severity of those seen during the 2008 Great Recession, they had risen above the peak experienced during the COVID-19 (C19) pandemic and the normal range. He explained that the graphs on the right side of the slide both largely supported the same concept. He stated that the graph at the top left focused primarily on auto loan delinquency by age. He noted that the red and light blue

lines on the graph had risen substantially, and he explained that those lines represented the younger demographics in society who had not had enough time to build the financial assets and benefits he discussed when presenting the slide titled *The “K-Shaped” Economy*. He elaborated that individuals in those demographics were showing more signs of stress from financial pressures.

Mr. Boden displayed the slide titled *CPI Contributors and YoY Reading*. He reiterated that there was a wide range of opinions amongst the FOMC membership regarding their predictions for the future status of the economy and interest rate policy. He explained that the diverging opinions were largely a result of disagreement over whether a new equilibrium of job creation had emerged or whether the issue would continue to worsen. He reported that there was also a wide range of opinions regarding the Consumer Price Index (CPI) and how inflation rates might change. He explained that the graph on the slide separated CPI into various components, with the darkest blue portions of the chart representing goods-related inflation rates, which were the most easily impacted by tariffs. He reported that there were negative deflationary pressures in goods throughout 2024, noting that a shift from zero de minimis tariff levels to effective tariff rates of 10 to 20 percent was unprecedented for the economy. He noted that experts were trying to understand what the actual impacts on GDP growth and inflation would ultimately be as a result of the tariffs. He recalled that when the tariffs were first implemented, people had theorized that prices might increase by 10 to 15 percent almost immediately, but he reported that the price increases were absorbed throughout the supply chain. He acknowledged that there were building pressures in the *Goods* category, which were increasing margins. He noted that those with more aggressive theories of inflation and interest rates believed caution was needed before lowering interest rates. He noted that their reasoning for such a belief was based on the idea that, should the rates for services inflation remain the same while the rates for goods inflation continue to increase, the total rate of change for inflation would reach 3 percent, which was higher than the FOMC’s 2 percent goal rate. He elaborated that those FOMC members wanted to begin taking actions that would reduce the inflation rate back to the 2 percent goal over time, as they were concerned that if goods-related inflation increased, it would not allow for a reduction that would assist in the headline number shown in the graph avoiding a 3 percent rate. He explained that the counterargument for that concern was that the rates for service inflation had remained very consistent in the US and were the biggest contributor to inflationary pressures.

Mr. Boden showed the *CPI Shelter Component vs. Observed Housing Costs* slide. He explained that housing was the largest component of services inflation, with the shelter component of the CPI accounting for 36 percent of the total. He noted that the method of collecting national housing data was a very scientific process that involved many surveys and various factors. He emphasized the importance of recognizing the presence of a significant delay in receiving information about rent changes when discussing the topic. He noted that the argument in support of lower rates and more accommodation was based on the belief that there would be significant decreases in housing prices in the shelter component of CPI figures that had already occurred but were not yet reported due to data delays. He explained that such a delay was expected as leases were only reset on fixed-term lengths, so there would be a lag in real-time rent statistics. He stated that the chart on

the slide was created by the Bureau of Labor Statistics (BLS), with the orange line reflecting real-time rent indices and the blue and black lines representing the statistics associated with CPI components used to calculate shelter disinflation, set forward by nine months to account for the lag he mentioned previously. He noted that the nine-month predictions represented by the blue and black lines followed the trends of the real-time data very closely. He reported that the real-time housing statistics had recently decreased dramatically. He recalled that there was a significant shortage of housing in the US the previous year, but noted that there had been a tremendous amount of multifamily home construction and a reduction in population growth, which led to the recent decrease in rent costs. He referred to his earlier comments regarding Mr. Miran's outlier vote on the FOMC's estimates and his prediction that rental rates would decrease substantially. He explained that Mr. Miran's prediction was based on the argument that the labor market would not settle at the new lower rate, but would continue to weaken. He noted that Mr. Miran's estimate would suggest that housing prices and the shelter component of CPI would decrease significantly, which would be shown on the graph as the black and blue lines falling to catch up with the orange line, and on the chart from the slide titled *CPI Contributors and YoY Reading* as the bars representing the services CPI component decreasing. He explained that those changes and the unique ways in which CPI was calculated were what Mr. Miran thought would bring the inflation rate closer to the FOMC's goal rate.

Mr. Boden displayed the *Affordability: Costs Outpacing Income Growth* slide. He explained that the word *affordability* was used as a political buzzword throughout the previous year. He recalled that the presidential administration had announced policies to implement caps on credit card interest rates and primarily to address housing issues. He acknowledged that there were some concerning statistics associated with housing, noting a substantial discrepancy between the orange line in the top graph, which represented the income required to purchase a median-priced home in the US, and the blue line, which represented the actual median income. He noted that those statistics indicated a significant disconnect between the amount needed to purchase a home and what the average household could afford. He explained that the most concerning aspect of that data was that the last time a discrepancy of that severity was observed was between 2006 and 2008, a period that had significant impacts on the housing market and home prices. He emphasized that housing affordability needed to be addressed and reported that the presidential administration had recently discussed its efforts to do so. He recalled that President Donald Trump had mentioned methods to address housing affordability without hurting home values during his speech the week prior at the World Economic Forum in Davos, Switzerland. He explained that home values were most households' largest financial asset, making it critical not to implement changes that would negatively affect them. He recalled that the consequences of negatively impacting home values and correcting home prices had been demonstrated during the 2008 Great Recession, with far-reaching implications for the economy. He explained that the goal was to bring the orange line on the slide's top graph down by correcting the interest rates of mortgages.

Mr. Boden referred to the graph at the bottom of the *Affordability: Costs Outpacing Income Growth* slide, noting that the two components that drive home

affordability had been included as two of the lines on the chart. He reported that immediately after the start of the C19 pandemic, home values started to increase, as indicated by the blue line in the graph, creating a disconnect with household incomes, as shown by the green line. He noted that during the period coinciding with the C19 pandemic, mortgage interest rates were decreasing, which temporarily maintained economic stability despite the growing gap between home values and household income due to the zero interest rate policy approach. He reported that interest rates rose sharply in 2022, which compounded the affordability issue and led to the current state of higher home values and interest rates, which have driven recent costs above affordability levels. He explained that efforts to alleviate the issue by reducing those costs would require significant balancing, as the orange line representing income required to purchase a home in the top graph would need to be reduced to better align with the blue line reflecting median incomes. He emphasized that a bigger disconnect between valuations needed to be avoided, and posed the rhetorical question of how that discrepancy could be fixed without impacting home values. He opined that finding a solution to the issue would be difficult due to the mathematical considerations of interest rates.

Mr. Boden showed the slide titled *Inflation Leads to Affordability Challenge*. He stated that a consumer's view of inflation differed greatly from that of an economist. He noted that if, hypothetically, there were a 10 percent price appreciation before CPI rates returned to 2 percent, economists would not consider that to be inflation but rather a single price increase, while consumers would only perceive those changes as purchases becoming more expensive. He referred to the graph on the slide and explained that the orange line demonstrated that economists perceived inflation rates as decreasing and normalizing back towards the 2 percent standard. He noted that the blue line reflected what consumers felt about inflation, noting that their perception on the matter was based upon visiting the store and noticing prices had increased when compared to what they were paying in previous years. He explained that such a discrepancy had a disproportionate impact on lower levels of the economy and consumers.

Mr. Boden displayed the *Fixed Income Process: Strategy Overview* slide. He explained that he intended to spend the last few minutes of his presentation describing to the Board how the information he had previously provided impacts the County's investment portfolio and economic strategy. He noted that there were four facets that comprised investment portfolio returns, referring to duration as the first category listed on the slide. He described duration as the facet that reflected the length of time investments were held. He explained that when inflation was 8 percent and interest rates were 0 percent in 2022, it seemed clear that interest rates needed to rise. He explained that at that time, the duration position was very short and investments were held for very short-term periods. He reported that when interest rates increased, more flexibility was gained to lock in longer-term investments. He noted that currently, the environment was such that the Federal Reserve Bank of Atlanta had communicated that interest rates would be at 5.25 percent through the fourth quarter of 2025, but made it clear that rates would not stay at that level permanently, as they expected rates to decline. He reported that the Federal Reserve Bank of Atlanta had already cut rates by 175 basis points. He explained that both the market and the Federal Reserve had projected that rates would decrease somewhat further from current

levels, though not by as much as they had in the past. He elaborated that, consequently, when the economy entered a 5 percent interest rate environment, BCM had acted on the longer-term duration and locked in rates as long as possible because the Federal Reserve had indicated that those rates would not last forever. He mentioned that things had become much closer to neutral and that they were now within the range indicated by the Federal Reserve for long-term interest rates. However, he noted that rates were still likely to decline slightly in the future. He indicated that BCM supported the prediction that the labor market probably would not settle into a new equilibrium and that there would continue to be more weakness in the labor market. He predicted that the Federal Reserve would continue to cut interest rates further, which was why BCM maintained a position supporting slightly longer duration, though he noted it was not as long as it had been in the past because the situation was currently more balanced.

Mr. Boden explained that the second factor considered in investment portfolio returns was curve position, which related to establishing the duration and determining the timing of investments in terms of the specific point along the yield curve where funds would be allocated. He reported that what BCM expected and had seen historically was that as the Federal Reserve had cut interest rates, longer-term interest rates had largely remained stagnant. He elaborated that interest rates had not decreased much over the past ten years, essentially remaining where they were when the rate cuts began a year and a half earlier. He explained that whenever BCM expected short-term rates to decline relative to longer-term rates, the organization positioned itself in the middle of the yield curve, in what was called a *bulleted* fashion. He noted that was why BCM had implemented that strategy, because short-term rates were expected to continue declining while longer-term rates would not. He opined that it was interesting that the presidential administration's efforts were focused on mortgage rates and improving affordability. He noted that the presidential administration was urging the Federal Reserve to act, but the Federal Reserve only controlled overnight rates. He recalled that the overnight rates decreased by 170 basis points over ten years, even going up slightly at times, as they did not necessarily control the longer end of the curve, making it more difficult to influence and address the situation.

Mr. Boden described the third factor associated with investment portfolio returns as sector rotation. He explained that BCM invested in and considered all the sectors allowable per the Nevada Revised Statutes (NRS), the County's investment policy, and security selection. He noted that BCM conducted all of its bottom-up fundamental individual credit research on each of the individual securities that go into the County's portfolio, which helped BCM implement its duration and curve position. He noted that, regarding the two categories under the *Sector Rotation* header, BCM would not consider governments as the first factor they would typically include in the *Overweight* category, as typically the organization wanted to get more corporates and assets that could offer more yield than government bonds. He explained that, based on current real-world events in the stock market, the market seemed impervious to impacts from all that was occurring globally and continuing to hit new highs. He reported that the same was true for fixed-income assets, as their valuations were quite high relative to current perceived risks. He elaborated that BCM therefore believed it was a better approach to be very defensive and

conservative in sector allocation and security selection, focusing on high-quality securities. He noted that while BCM always prioritized high quality, it was even more vigilant now about quality, stability, and structure. He disclosed that BCM predicted there would be a period of volatility at some point, though he acknowledged that the market had appeared quite resistant to many challenges over recent times.

Mr. Boden introduced the slide titled *Performance Summary*. He noted that the BCC meeting was a budget workshop and indicated that discussions about investment returns and performance were held because those factors directly translated into real money for the County. He recalled that when BCM began working with the County's investment portfolio in October 2024, one of the first things the company had done was identify that the County's portfolio was shorter than its duration position, that the economy was in a 5 percent interest rate environment, and that the Federal Reserve had indicated those rates would not be permanent. He explained that BCM intended to lock in those interest rates while it could and worked aggressively to extend the duration of the County's investment portfolio and secured those 5 percent yields. He explained that the County's investment portfolio had greatly benefited from those actions as interest rates had decreased by 175 basis points. He reported that there had been nearly a 6 percent return in the County's portfolio in 2025, which was 35 basis points ahead of the benchmark. He opined that such a return was substantial, noting that the value of the securities BCM had locked down the previous year had increased as interest rates decreased. He reiterated that the economy was currently in a lower interest rate and return environment. He referred to the *Calendar Year Performance* chart on the slide, explaining that the fourth quarter of 2025 had an investment return of 1.16 percent, which he noted was not an annualized statistic. He explained that if that figure were used in extended budgeting calculations, it would indicate that the annual return would range from 4.5 to 4.75 percent. He noted that such a figure could be used for current calculations and to generate predictions for the following fiscal year (FY). He suggested considering a predicted investment return range of approximately 4 percent. He concluded his presentation by asking if the Board had any questions.

Chair Andriola thanked Mr. Boden and noted her impression that everyone had been given the opportunity to visit the Washoe County Investment Committee. She stated that she was very appreciative of CM Thomas having arranged the workshop meeting and thanked Mr. Taylor for the hard work of him and his team. She opined that Mr. Taylor's efforts on the Request for Proposal (RFP) that resulted in BCM becoming the awardee of that contract was a testament to his leadership. She noted her intent to open the discussion of Mr. Boden's presentation for other members of the BCC to ask questions after she provided a few comments. She stated that while she both loved and hated economics, she appreciated that it involved trying to make predictions on future events. She stated that she could not imagine everything Mr. Boden and those in his profession did each day, describing their work as a new area of development. She clarified that she had believed it would be great to have a presentation providing an economic overview of the US, since Washoe County was not immune to broader national trends. She noted that the Board would hear more about that topic from Doctor (Dr.) Eugenia Larmore later in the meeting. She acknowledged that she was not an economist but opined that some trends, particularly those involving AI, as reported by financial journalists like Andrew Sorkin,

suggested that repetition of the economic situation in 1929 could become a reality. She explained that she was not trying to scare anyone and stated that when looking ahead and aiming for a sustainable, prudent model, the County was fortunate to have many capable people, such as the budget team, who were fiscally responsible and careful in their planning.

Chair Andriola emphasized the need to understand the County's possibilities. She explained that predictions about the FMOC's actions to balance interest rates and economic changes created uncertainty, as demonstrated during the presentation by the disparity in how different groups perceived the matter. She hoped that nobody would have to learn the meaning of the term *stagflation*. She believed that having interest rates lower as a target was meant to stimulate the economy, but having an end goal, such as job creation, was the model of how economics worked. However, she pointed out that there was a significant decrease and essentially zero net population growth, which should give pause about how to move forward with those decisions. She emphasized that no one wanted to relive the 2008 Great Recession, especially those who experienced it firsthand. She noted that the topic of housing was frequently discussed, and she expressed pride that it was a top priority for the Board, while balancing housing with other essential services was the overall task of the budget. She also recalled Mr. Greenspan's tenure, noting that she had watched every move he made, and she expressed appreciation for the presentation having included his quote about preparing for a still-developing shift in the economic landscape, which she thought was important for the Board to continue considering over time.

Commissioner Hill thanked Mr. Boden for his presentation and expressed excitement to hear more from Dr. Larmore during the meeting, as specific factors in the local region were affecting residents differently than the national trends, particularly for housing. She stated that she was glad to hear what Mr. Boden reported regarding housing statistics, noting the expectation that multifamily housing costs would decrease. She stated that income levels in Nevada were low, and that members of the BCC spoke with their constituents every day, meaning they knew people were struggling to stay in their housing as rents continued to rise. She noted her curiosity about when the reduction in housing costs would begin, and acknowledged that Mr. Boden had reported a potential estimate of one year. Mr. Boden explained that the statistics he had provided were based on Nationwide data, and he agreed that housing matters were very different when considered on a regional basis, far more so than anything else in the economy. He noted that Dr. Larmore would discuss the matter further from a regional perspective shortly. He referred to the graph on the *CPI Shelter Component vs. Observed Housing Costs* slide, noting that the data he had provided from the BLS indicated in orange represented a real-time reduction, while the other lines in the graph reflected the delay of the CPI calculations as they were reported. He explained that the statistics indicated that real-time rent costs were decreasing at the national level. He acknowledged that the national situation might differ regionally. She expressed her appreciation for Mr. Boden helping the Board better understand the national picture, noting that it was difficult to make decisions locally without considering the larger context. She mentioned that she had learned a lot from the presentation and expressed gratitude to Mr. Taylor for his leadership.

Vice Chair Garcia thanked Mr. Boden for attending the BCC budget workshop. She noted that she was not a member of the Washoe County Investment Committee and explained that BCC members concurrently served on many regional boards and attended various meetings. She noted that the first time a member of those regional boards began serving, such as in her experience with the Regional Transportation Commission (RTC) board, new members would be confronted with substantial technical language and jargon. She noted that the presentation had made her feel as though she was serving on the Washoe County Investment Committee for the first time in the same way. She expressed appreciation for the presentation, as it assessed the issue on a broad scale, which she believed was where the BCC needed to begin its considerations. She thanked Chair Andriola for scheduling Mr. Boden's presentation as the start of the budget workshop, as having a broad overview in the beginning was helpful.

Vice Chair Garcia explained that she felt there was something ominous in the reported information, despite acknowledging that Mr. Boden had remarked that the economic outlook was good and that the statistics were trending in the right direction. She referred to Mr. Boden's previous comments that the current economic environment was beneficial for some households, though not ideal for others. She explained that the effects of that disparity were being seen each day. She noted that it was well known that those who owned homes and stocks were doing very well financially, but, as a County, the Board was interacting with and interfacing with people who were vulnerable throughout their lives. She reiterated that there was substantial variation in who was prospering, and when she considered how that applied to the County and the services it provided, it seemed to her that fewer people were doing well financially. She stated that the wealth disparity was the most concerning to her. She referred to Mr. Boden's comments during his presentation on areas of economic stress, noting that another aspect of that topic was stress on consumers, which worried people most, including mortgages, car costs, student loans, and, particularly, housing affordability. She stated that when there was something both great and unknown, like AI and its potential impact on the job market, she would think about her daughter in the seventh grade and question what the job market would look like when she graduated high school, what she would ultimately study, and whether she would need to research those topics. She emphasized that she wondered from a parenting perspective how the world would change in the following five years. She expressed that such unpredictability felt daunting, as nobody knew how those matters would develop. She referred to the slide titled *The "K-Shaped" Economy* and asked what actions or conversations about wealth disparity were occurring at the national level to help address the issue.

Mr. Boden acknowledged that developing a solution to wealth disparity was a very difficult task. He reiterated that BCM's job was not to set or opine on policy, but rather to interpret economic trends. He explained that BCM had observed that the current economic climate was beneficial to some, while those in the bottom 50 percent of household incomes were not prospering. He acknowledged that 50 percent represented a substantial portion of the population. He noted that actions such as capping credit card interest rates at 10 percent were possible, but he questioned their feasibility. He stated that such an action was designed to target the lower 50 percent of households, as those interest rates carried balances that were more of a burden for that demographic, which also used

credit cards more. He explained that targeting housing affordability by reducing mortgage rates was also an option, though he acknowledged it was a particularly difficult issue to solve. He explained that someone's financial assets could not simply be taken and given away in theory, and if those assets continued to increase in value, the gap between those who already had them and those who did not would widen further. He noted that he did not have a strong answer or much information on wealth redistribution efforts, as he did not think it was an option in the US. He explained that, aside from such an action, he was unsure whether there were many suitable ways to resolve the discrepancy.

Commissioner Clark noted that he had several comments and acknowledged that the Board had expressed concerns about wealth disparity, adding that he was interested in the working poor. He noted that there had been discussions about doing more with fewer resources, which was not the case in many places. He explained that, with the work of Mr. Boden and Mr. Taylor, the County had achieved a greater return on investment than it had since it was established in 1861, and he congratulated them for their good work, which he believed needed to be acknowledged. He noted that the Washoe County Assessor Chris Sarman was in the meeting's audience, and he explained that Mr. Sarman had reported that there was currently more assessed value in the County than ever before, with new construction being added with no tax cap. He elaborated that the income was being generated for the County, but the problem was that more funds were being spent than added. He referred to the issues of the working poor and wealth disparity and to possible solutions, noting that raising taxes did not help the working poor. He recalled having conducted an interview at a car dealership the week prior and reported that Washoe County had some of the highest sales taxes in Nevada, making it difficult for car dealerships to convince consumers to buy locally without crossing into a lower-tax county for lower prices on a major purchase. He explained that Washoe County also had some of the highest gas taxes in Nevada, noting that he had done calculations that indicated that someone in the construction industry who needed to purchase tax for a pickup truck once a week would pay an extra \$40 each week, resulting in an additional cost of a few thousand dollars each year. He explained that he was a mortgage broker who had made real estate loans for the previous 50 years. He reported that entry-level homes in the local market used to cost approximately \$450,000. He recalled that when interest rates rose from the range of 2.5 or 3 percent to over 6 percent in Washoe County, the actual cost of the monthly payment rose to \$1,500 per month, which, when annualized, represented \$18,000 each year that a household would need to increase its income by in order to qualify for the loan. He indicated that he knew of very few people in the community who had received a \$18,000 raise in the last several years.

Commissioner Clark opined that while it was nice to hear reports of what was happening on a national level, it was necessary to consider local issues, as Washoe County was located between the Sierra Nevada Mountains and the desert. He noted that the workshop meeting provided a good opportunity to study the local economy, describing it as an outpost and stating that it was heavily affected by many external factors. He explained that there was an unchanging housing shortage in the County that did not seem to be addressed by building additional properties. He explained that builders did not want to build entry-level homes due to the high cost of materials, lumber, and labor, and because

they wanted to sell homes with additional features that could generate higher profits. He opined that the public needed to know more about those factors and be provided with a deeper analysis of the County's finances, the costs associated with living in the region, and the taxes affecting the working poor. He explained that the primary concern amongst the public locally was income disparity, which was exacerbated by additional taxes that were creating a larger problem for those already struggling financially. He referred to earlier comments from other members of the BCC about their concern for those who were struggling, noting that he also worried for them and did not want to add to their burden. He noted that he wanted to provide his comments for the record and thanked Mr. Boden for the presentation.

Chair Andriola opined that Mr. Boden was well-equipped to help with policy, despite his three comments throughout the presentation indicating he did not handle those matters. She thanked Mr. Boden and noted that she appreciated his broad presentation on the national economy, as the Board would later hear about the local economic trends affected by those factors. She explained that job creation helped address wealth disparity, as it enabled people to purchase a home, which she believed was the greatest acquisition of wealth that could be passed on to future generations. She noted that she served on the Nevada Association of Counties (NACO) Board of Directors and reported that every county in Nevada considered housing its jurisdiction's primary goal, demonstrating that the issue was impactful throughout the state. She reiterated her appreciation for Mr. Boden's presentation and noted that the Washoe County Investment Committee meeting scheduled for the following day would likely be short due to the topic and discussion of Mr. Boden's presentation.

Commissioner Herman thanked Mr. Boden for attending the BCC meeting. She noted that her future predictions for the national economy corresponded with much of what Mr. Boden had discussed. She explained that she felt both more secure and more concerned with the presented data, and she thanked Mr. Boden again.

Treasurer Justin Taylor introduced EKAY Economic Consultants, Inc. (EEC) President Dr. Eugenia Larmore and reported that Dr. Larmore had over 20 years of economic consulting experience. She explained that Dr. Larmore specialized in economic and fiscal impact analysis, market feasibility studies, economic development consulting, demographic and economic modeling and projections, real estate analysis, and other economic research. She recalled that Dr. Larmore graduated from the University of Nevada, Reno (UNR) with a Doctor of Philosophy (PhD) in Economics and a doctoral dissertation focused on public finance, specifically forecasting revenues, leading to coincident indices and fiscal impact studies. She said that Dr. Larmore also holds a Master of Business Administration and a Bachelor of Science in International Business and Marketing, with a minor in economics, from UNR. Chair Andriola thanked Dr. Larmore for attending the Workshop and for providing a community overview.

Dr. Larmore thanked the Board for inviting her to present and conducted a PowerPoint presentation and reviewed slides with the following titles: Reno-Sparks MSA Regional Economic Update; Washoe County Economy; Population-Washoe County;

Natural Population Growth By County; Net Migration Growth By County; In-Migration-Washoe County 2020-21; In-Migration By Age Range-Washoe County; Employment-Reno Sparks MSA (Washoe and Storey Counties); 2024-2025 Employment Changes-Reno Sparks MSA; Wages-Purchasing Power-Reno Sparks MSA; Unemployment Rate; Job Market-Reno Sparks MSA; Taxable Gaming Revenue-Washoe County; Consolidated Tax-Washoe County; Taxable Sales-Washoe County; Airport Passengers and Visitors; New Residential Supply-Washoe County; New Home Sales-Reno Sparks; Existing Home Sales-Reno Sparks; Existing Home Price Trends-Reno Sparks; Existing Home Cash Purchase-Reno Sparks; Existing Home Sales Inventory-Reno Sparks; Regional Home Sales Activity; Apartment Vacancy & Rent Trends-Reno Sparks; Questions.

Dr. Larmore explained that the goal of her presentation was to recall Mr. Boden's presentation regarding national indicators while discussing regional impacts and economic data. She asserted that her and Mr. Boden's work was different; however, the national impact influenced the community's regional performance. She referred to the slide titled *Washoe County Economy* and said that there had been significant growth in the region's economy, including post-recession, Tesla, and post C19 growth over the past 15 years. She believed that many individuals felt that the current economy was the new normal; however, she asserted that the economy would continue to change. She said that the key point of her presentation was that conditions were not necessarily severe, but the consistent double-digit growth experienced over approximately the previous 15 years was not expected to continue at the same level or frequency. She reported that the region's current economic condition was described as growth continuing at a slower rate and that economists characterized it as *increasing at a decreasing rate*. She opined that growth had not stopped or reversed but was occurring at a pace below what had previously been typical. She said it was important to recognize that spending and growth levels were not sustainable in the long term. She pointed out that, as noted by Mr. Bowden, looking ahead there was potential for some declines at the national level, and considerable uncertainty remained. She noted that economic projections traditionally relied on historical averages; however, those averages had become less reliable because future conditions were expected to differ significantly from past trends. She said that, as a result, forecasting future outcomes was increasingly difficult and growth could remain modest or even decline, though not necessarily to a scale that would cause alarm.

Dr. Larmore referred to the slide titled *Population-Washoe County* and indicated that population was identified as a critical factor in the local economy. She said that population growth drove demand for housing, which in turn contributed to property tax (p-tax) revenues, and that consumer spending supported sales tax revenues, with activities such as gaming and entertainment contributing to additional County revenue. She believed that continued population growth was therefore necessary to sustain economic expansion and overall fiscal health. She noted that there was a 6.3 percent increase in population between 2015 and 2020, with the addition of almost 30,000 individuals, and another roughly 30,000 individuals from 2020 to 2025. She explained that another 17,000 additional individuals were anticipated to increase between 2025 and 2030. She said that the region was growing, which she felt was great, but the growth was slower and more

sustainable than previously witnessed. She opined that slower growth allowed the region to invest in infrastructure and spending to sustain growth rather than struggle to do so.

Dr. Larmore shared information from the Natural Population Growth by County slide and noted that the data were outdated, as they were from 2024. She said that the County's natural growth was very low. She pointed out that the County's birth rates were essentially offset by deaths; therefore, the County was not growing naturally. She referred to the slide titled *Net Migration Growth by County* and mentioned that individuals moved in and out of the County. She believed that the net population needed to remain high. She pointed out that there were twice as many international migrants in 2024 as domestic migrants. She anticipated that the number of international migrants would decrease over time, but it had changed with federal policies. She noted that domestic migration had decreased over the past few years due to affordability constraints. She opined that the region remained attractive to people, offering wonderful jobs and wages; however, affordability and housing availability were lacking. She said that the region could not attract new migrants if there was nowhere for them to live.

Dr. Larmore referred to the *In-Migration-Washoe County 2020-21* slide and explained that, while the in-migration numbers had changed, the region's population had remained the same. She said that a majority of the region's in-migration population came from Northern California, followed by the balance of the US, then Nevada and Southern California. She explained that, the California in-migration and the balance of the US, which she said was primarily from the south, came with an expectation of service provision that existed before a person moved to Nevada. She read from the slide titled *In-Migration By Age Range-Washoe County* and believed that the region needed to recognize that new migration brought different ideas and demographics. She reported that workers were primarily attracted to the area from ages 18 to 39, whereas in the past, older populations were more likely to migrate. She said that the 18- to 39-year-old population in 2024 was 55 percent, compared to 30 percent Nationwide. She pointed out that many younger people were moving to the area, which she thought was wonderful, but that it also meant changes in demand for services, such as parks rather than social services or healthcare. She opined that employment brought younger populations to the region and cited information on the slide titled *Employment-Reno Sparks MSA (Washoe and Storey Counties)*. She noted that the numbers on the slide were five-year averages and pointed out that during the Great Recession, employment was significantly affected. She recalled that Nevada was one of the most impacted states in the US during the Great Recession but had experienced a tremendous recovery. She said that Tesla's establishment in 2013 contributed to the rapid job growth of almost 7,000 jobs per year over the past seven years, with a slight decrease in employment due to post-C19. She pointed out that the region grew by 2,200 people the previous year.

Dr. Larmore referred to the *2024-2025 Employment Changes-Reno Sparks MSA* slide and indicated that employment was occurring primarily in the *Education and Health Services* category. She said that health service-related jobs were understaffed. She reported that the *Professional and Business Services* category had temporarily declined but was increasing, while the *Government* category was the third-highest-growing service

field, with all the referenced job categories making at or above \$35.94 per hour as of the fourth quarter of 2024. She pointed out that the data was lagging; however, growth was observed in higher-wage jobs, except in the *Leisure and Hospitality* category. She asserted that service jobs needed to continue to grow, whereas jobs in the *Transportation, Warehousing, and Utilities, Wholesale Trade, and Construction* categories had grown significantly over the past decade and were currently in slight decline. She reiterated that about 2,200 jobs were gained in the past year and that jobs were only as important as the wages they paid, while wages were less important than what a person could purchase. She said that purchasing power meant bringing wages down to a 2002 level without the CPI to provide comparability, as shown on the slide titled *Wages-Purchasing Power-Reno Sparks MSA*. She pointed out that the gray area of the graph represented nominal wages, which were the actual paycheck values, while the blue line adjusted for inflation. She believed that the region was performing relatively well and had experienced steady growth over the past 20 years until high inflation levels occurred around C19.

Dr. Larmore reported that post-C19 wages had increased exponentially but then began to decline. She noted that was why the CPI was adjusted before 2024, and it meant that wages appeared to be recovering. She said the region was trending toward slightly higher wages than CPI levels. She explained that the region was not growing rapidly; however, it was not declining either. She said that since 2022, CPI levels had been high, but purchasing power had not decreased, which she felt was good news. She referred to the slide titled *Unemployment Rate* and noted that the unemployment rate had increased to 4.3 percent in November of 2025, which she said was near natural. She pointed out that the region's unemployment rate matched the national unemployment rate and that the State was doing well, but it was the third-highest unemployment state, primarily due to Las Vegas. She said that the region had a high level of diversification, and the tremendous growth created more job opportunities that supported the region through C19.

Dr. Larmore read from the slide titled *Job Market-Reno Sparks MSA* and noted that the data were from EmployNV through the Department of Employment, which typically released the information every April. She pointed out that they provided the current January numbers and that there were more candidates than job openings, which she felt was great for businesses but could put downward pressure on wages, depending on the disconnect between the skills of people looking for jobs and the jobs available. She said there were 1,000 open positions between Renown and United Health Services, according to EmployNV. She noted that the next-highest positions included the Washoe County School District (WCSD), followed by leisure and hospitality with casino job openings.

Dr. Larmore referred to the *Taxable Gaming Revenue-Washoe County* slide and said that the taxable gaming revenue had increased, but not as high as it had been in the past. She said the year-to-date increase was \$957 million to \$995 million, adjusted to exclude inflation. She explained that the region wanted to outpace inflation with wages. She read from the slide titled *Consolidated Tax-Washoe County* and pointed out that consolidated tax (c-tax) revenue did increase, but when adjusted for inflation, there was a decline that was not significant enough to panic. She said there was a large decline in cigarette tax revenue because, post-C19, people prioritized health. She read from the data

on the slide titled *Taxable Sales-Washoe County* and noted that taxable sales had increased and were reflected in the overall c-tax number, but, without inflation, they had declined. She noted that data on the *Airport Passengers and Visitors* slide continued to grow and were seasonally adjusted to reflect passengers traveling to the region. She said that quite a few people continued to visit the area.

Dr. Larmore pointed out the red lines on the graph from the slide titled *New Residential Supply-Washoe County*, which reflected multifamily new residential, while the blue lines represented single-family. She said that the new residential made up more than two-thirds of single-family residences and one-third multifamily residences in the past but had changed recently. She noted that single-family homes had more affordability issues; therefore, the region was providing more multifamily residences than ever before, except in 2025, when it declined. She said multifamily declined in 2025 due to the thousands of units created a few years earlier. She estimated that there were roughly 2.5 people per unit for new home sales. She said that, with federal funding rates increasing from 2023 through 2025, new home sales were affected because developers were reluctant to spend on development when interest rates were high.

Dr. Larmore referred to the slide titled *New Home Sales-Reno Sparks* and said that the red line, representing median new home sales prices, fluctuated significantly. She explained that the per-square-foot (sq ft) price was \$282 in 2023 and 2024, increasing to \$287 in 2025. She pointed out that the price difference was due to the unit sizes. She said that because the population of new homes was low, if one development of 3,500 sq ft homes were added, the new home sales price would increase, which was why she indicated the per sq ft numbers were preferred and showed steady growth over the past three years. She reported that existing home sales had increased by 150 over the past year, resulting in steady growth but still significantly below pre-high-interest-rate levels. She clarified that home prices had increased by 11 percent between 2012 and 2022. She said that there was a tremendous increase in home prices between 2022 and 2025 at 2 percent per year. She explained that she did not want home sales to stagnate or prices to decline. She indicated that wages had increased 5 percent per year while home prices had increased 2 percent, which she believed created an opportunity for things to slow down and catch up. She said that rising home prices and regulations on investor-purchased homes created market regulation because, when interest rates increased, the number of cash and investor purchases in the area increased, creating less competition for investors.

Dr. Larmore read from the *Existing Home Cash Purchases-Reno Sparks* slide and indicated that individuals could buy a home in 2025 with cash, but then home prices started to increase by 2 percent, which made it less desirable for investor properties or purchases. She explained that there was a decline in existing home cash purchases from 27 percent in 2024 to 26 percent in 2025. She said that while the decline was not a trend, she would like it to be, as it would self-correct the market, making it no longer desirable for investors to come in and compete without any adjustments. She recalled Mr. Boden's comments about playing with the housing market, as it may cause unforeseen complications for other aspects of the housing market. She hoped that the decline in existing-home cash purchases would create a natural trend, leading the market to correct

itself for the health of the housing market. She read from the slide titled *Existing Home Sales Inventory-Reno Sparks* and noted that active listings appeared to increase; however, days-to-contract also increased, so the net increase in new listings had not. She said that the housing supply was still very low, even though the region was attractive to potential migrants. She believed that housing supply would have a huge impact on prices going forward.

Dr. Larmore relayed information from the slide titled *Regional Home Sales Activity* and said that the region had some of the highest prices in developed areas of metropolitan areas. She noted that Douglas County's home sale activity exceeded Fernley, Dayton, and Carson City, where home sale prices were significantly lower. She said there was a lot of higher-end purchase activity because Douglas County had a different demographic, which was primarily retirees with a broader range of affordability. She explained that there were options and affordability in other areas, such as Fernley. She referred to the slide titled *Apartment Vacancy & Rent Trends-Reno Sparks* and said that thousands of apartment units were added over the past few years. She said that the apartments were absorbed and stayed relatively steady in price, as signified by the red line on the graph. She explained that the continued supply of apartments and the unaffordability of single-family homes, due to high interest and mortgage rates, created an increase in apartment rentals in 2025. She believed that there was a close relationship between supply, prices, and Metropolitan Statistical Area (MSA) wages. She said that the median wage could afford a \$1,600 apartment, with the average one-bedroom rent at \$1,500 to \$1,600, making it affordable for the median wage. She reported that the median was the value below which 50 percent of the population was, and said she believed that 50 percent of the region's population was having difficulty affording housing.

Chair Andriola thanked Dr. Larmore for presenting the local data. She believed that comparing regional and national statistics was important because it provided trends related to inflation and other issues. She said that supply and demand were the fundamentals of economics and that if there was scarcity, prices increased, while a lack of scarcity decreased prices. She reported that she did not have a Doctor of Philosophy (PhD) in Economics, but thought it was important that the Board understand the balances between the Treasurer, the budget, and the experts to provide leadership and assist with decision-making. She noted that the region was always seeking a balance between employment and inflation. She opined that the County was in a new frontier and had to think about concerns differently. She recalled Dr. Larmore's comment about 50 percent of the population being unable to afford housing and felt that the County needed to be careful not to falsely adjust the market, as a balance was needed. She expressed concern about the averages being broken and noted that younger individuals were migrating to the area. She said the natural growth rate was not steady in the County and that she did not know how to increase it. She appreciated that Douglas County was experiencing retirees migrating to their county, which benefited its economy; however, the multiplier effect of retirees' contributions to employment was negligible compared to that of younger individuals who were working, contributing, and creating an economic engine in Washoe County. She expressed gratitude for the diversification Dr. Lamore presented and hoped that the County would have the opportunity to continue to be updated not only at the national level but also at the local

level. She speculated that the more that was shared, the better the Board and the public could understand how to navigate difficult times and prepare for future forecasts.

Commissioner Herman thanked Dr. Larmore for her presentation. Commissioner Hill thanked Dr. Larmore for the presentation and asked if she had served on any County boards. Dr. Larmore indicated that she served on the Board of Equalization (BOE) and the Debt Management Commissioner (DMC). Commissioner Hill expressed appreciation for Dr. Larmore's service to the County. She noted that she was not surprised by the childcare crisis in the region, given the lack of available child care services. She said that most *Education and Health Service* jobs did not pay \$35.21 per hour. She asked whether teacher aides, childcare workers, and in-home senior care workers were included in that category. Dr. Larmore confirmed that teacher aides, childcare workers, and in-home senior care workers were included in the *Education and Health Services* category. She said that affordability and wages were median wages. She reported that some workers in the region were paid 50 percent above or below their career category's median wage; however, those workers' wages were still considered median. Commissioner Hill explained that workers were needed in those fields but were not paid enough, which was why she believed there were many vacancies. She thanked Dr. Larmore for her work and her perspective.

Commissioner Clark thanked Dr. Larmore for her service and recalled that he had first met her years ago during BOE. He believed she had done a great job and had strong leadership skills. He recalled that Janet Butcher presented issues regarding the County's budget relative to other communities of similar size. He requested a copy of the document Ms. Butcher placed on file with the Clerk during Agenda Item 3. He asked why public commenters did not have access to the overhead projector during Agenda Item 3, as in previous meetings. He asked Dr. Larmore to clarify her verbiage regarding c-taxes and whether they were increasing. Dr. Larmore indicated that the c-taxes were growing; however, not growing as fast as inflation had during the past year.

Commissioner Clark indicated that the County had a higher sales tax rate than surrounding counties and asked Dr. Larmore whether there was a way to track uncollected sales tax. He recalled speaking with car dealers and large appliance salesmen who reported that if individuals traveled 15 or 20 miles outside the County to purchase large items, they could save thousands of dollars. He wondered how growth was affecting the County's c-taxes. Dr. Larmore reported that it was possible to track escaped c-taxes through leakage studies. She recalled conducting those studies and noted that the data were from surveys. She said that car dealerships could provide data regarding how many buyers were from certain zip codes. She believed that with a zip code, it was possible to track the data Commissioner Clark desired.

Commissioner Clark asked how a Commissioner could obtain the zip code data or whether they had permission to conduct a leakage study. Dr. Larmore noted that it depended on whether businesses wanted to release the information and recalled that confidentiality was one of the largest issues when conducting a leakage study. Commissioner Clark explained that he understood privacy concerns; however, many individuals were promoting residents to shop local. He wondered why someone would shop

local if the premium for doing so was higher than in surrounding counties. He asserted that people were struggling and that many individuals were experiencing financial disparities. He opined that encouraging residents to shop locally while also demanding a high sales tax sent a mixed message to the public. He mentioned that he was from Douglas County and they had many attributes that drew people to the area, including its senior center, which he said had great food.

Commissioner Clark noted that people shopping outside their county was an unintended consequence, and that people did not realize that having other amenities would make them more willing to spend more on homes, which would equal more p-tax for the area. He noted that the Chamber of Commerce had many career-level positions available to interested candidates. He urged those interested to reach out to the Reno Sparks Chamber of Commerce Chief Executive Officer (CEO) Ann Silver, as he believed she was a good source of local information. He thanked Dr. Lamore for her presentation.

Vice Chair Garcia welcomed Dr. Lamore and referred to the slide titled *In-Migration By Age Range-Washoe County*. She believed the slide was enlightening because the County's migration percentage was almost double the national average. She expressed appreciation for Dr. Lamore's comments about the migration population's demand for different types of services. She speculated that it would be interesting during the election season to see what constituents' priorities were. She asked if the trend of younger demographic movers was relatively new. Dr. Lamore reported that it was not new and that after Tesla created new jobs, more young individuals moved to the area. She recalled that the past growth had a broad age range because Reno attracted people for different reasons. She reiterated that the recent growth was employment-generated because there were more jobs seeking younger people. Commissioner Garcia pointed out that 7.6 percent of the in-migration age range were aged 75 years or older. She opined that a segment of the population wished to move to the area for amenities such as quality of life and outdoor recreation. Dr. Lamore confirmed that the 7 percent represented was part of the total 18 percent of the US population, meaning the region drew them at a lower rate than they represented in the US. She opined that the 7 percent must be moving to Douglas County.

Vice Chair Garcia noted that the *New Residential Supply-Washoe County* slide indicated there was a change in single-family versus multifamily new residences. She asked how multifamily was defined according to the statistics shown on the slide. Dr. Lamore reported that multifamily was represented as a rental product, such as apartments and senior apartments, whereas condominiums and townhomes were considered single-family. Vice Chair Garcia asked whether multifamily encompassed rentals. Dr. Lamore confirmed that they were designed as apartment-style homes, not a single home being rented out. Vice Chair Garcia explained that she was interested in seeing more diversification of housing types in the region. She said that there was a growing segment of seniors living in large sq ft homes who were no longer interested in maintaining a big property; however, limited smaller units were not available to them within the County. She opined that those seniors did not necessarily want to move into an apartment but rather a cottage court, duplex, or fourplex, which would allow for younger families to move into the larger homes. She thought that only having single-family and multifamily homes

limited what the diverse community needed. Dr. Larmore said there was a decrease in the number of people per household; therefore, many single people were living in single-family housing, which changed the number of people per space from previous years.

Commissioner Hill recalled Commissioner Clark's comments regarding sales tax revenues decreasing. She said it was due to a lack of disposable income and the County not taxing as much. She believed that the County had become a service-based economy and services were not taxed in Nevada. Dr. Larmore explained that the decrease in sales tax revenue was not of concern because the data was based on 2024 numbers, which were at the end of the C19 relief funds. She noted that C19 relief funds were almost all spent, and that current trends suggested people's numbers were more normal in 2025. She said that many individuals did not have excess cash to generate revenue for the County, but, from an economic standpoint, she felt the trends were not abnormal. Commissioner Hill mentioned that taxable sales had been reduced in the State, which also reduced the County's revenues.

Chair Andriola asserted that Commissioner Hill's point was interesting. She said that she was a little older than Commissioner Hill and recalled that she had lived through the era of smoking, which led to a decrease due to health concerns for longevity and mortality. She opined that it was great that smoking had decreased, as she was against it; however, she felt that people had the freedom to make choices economically. She said that individuals would relocate to lower-priced areas and have more personal spending power, or someone could relocate based on savings, income, and personal terms. She thought it was wonderful to take and extrapolate the information, correlating it at the national level to allow the Board to discuss it further. She recalled that Vice Chair Garcia's comments about the age demographic surprised her because she knew Tesla was affecting the community and was a promising economic engine and growth driver. She thanked Dr. Larmore for her service and Treasurer Justin Taylor for his leadership.

CM Thomas indicated that the Board would be provided with a more detailed review of the audited year-end financial results presented by Comptroller Cathy Hill and Division Director Lori Cooke.

Ms. Hill and Ms. Cooke conducted a PowerPoint presentation and reviewed slides with the following titles: Board of County Commissioners Budget Workshop; Agenda; How did we end FY2025 on June 30, 2025?; General Funds (GF) – Financial Data Points (3 slides); General Fund (GF) – Updated Five-Year Forecast (3 slides); Summary; We are Not Alone; Why we do what we do. (2 slides); Where us this knowledge held?; How do we do it?; Service Level-; Infrastructure example: Scorecard; Trends at Washoe County; What are we doing to remain fiscally sustainable; What is our strategy today?; Next Steps; Closing Comments; Thank You!.

Ms. Hill referred to the slide titled *How did we end FY2025 on June 30, 2025?* and said that the County successfully completed FY 2025 with a clean audit opinion and ended with a \$2.5 million net addition to the fund balance. She indicated that the fund balance was net, since the County did not take into account the unrealized gains that

accrued to the County. She explained her FY 2026 concerns, noting that the General Fund is the County's main fund, but also funds internal service funds and the Special Revenue Fund, the Roads Fund. She noted that the Roads Fund budget had previously been brought to the BCC for assistance and continued to be a sensitive fund. She said that the Risk Fund faced potential future constraints because, with recent legislative changes, claims for lung-related injuries dating back to 1985 were now allowable, which was expected to have a financial and economic impact on the County. She noted that, due to recent legislative changes, additional funds may be required from the General Fund and the Health Benefits Fund.

Ms. Cooke read from the first slide titled *General Funds (GF) – Financial Data Points* and noted that growth in the County was decreasing. She said that from FY 2021 to FY 2025, the growth rate was 7.1 percent, while salaries and wages grew at an average of 7.3 percent. She noted that retirement in the Public Employees Retirement System (PERS) had an average growth rate of 10.3 percent, while the Group Insurance average growth rate was 5.3 percent. She pointed out that the Consumer Price Index for All Urban Consumers (CPI-U) averaged 4.5 percent pre-C19, which was double the 2.3 percent from 2000 to 2020. She explained that her population growth parameters differed from Dr. Larmore's and noted that the County experienced growth higher than the national average. She mentioned that the demographics of individuals, the expected services, and the comparative services had different impacts on the County.

Ms. Cooke referred to the second slide titled *General Funds (GF) – Financial Data Points* and noted that General Fund revenue was 9.8 percent in 2021, which had since decreased to 5.6 percent in 2025. She reported that, as the years passed, personnel costs became the largest expenditure category in the General Fund. She explained that personnel costs included salaries, wages, PERS, and group insurance. She said that if the County had a structurally balanced budget, the Board would be presented with revenues and expenditures to determine whether there were enough funds. She asserted that personnel salaries followed the Board's policy of being at 50 percent, so when the staff maxed out, they were at 50 percent of the County's comparables.

Ms. Cooke read from the third slide titled *General Funds (GF) – Financial Data Points* and noted that average sources increased by 7.6 percent and average use by 10.5 percent from FY 2025 to FY 2026. She clarified that those percentages were with settlement payments and one-time material removed. She said that personnel costs had increased an average of 11.2 percent. She reported that the County would need to better understand the additional funds required due to the recent legislation on lung claims and risk rates. She said that services and supplies had increased an average of 10.3 percent, and transfers out had increased an average of 8.6 percent. She explained that the largest increase in the current FY was in the Roads Fund.

Ms. Cooke reported that the forecast continued to anticipate a structural imbalance; therefore, the County was researching p-taxes and c-taxes. She noted that all forecasts had weaknesses because the future was unknown; however, p-taxes and c-taxes were expected to increase by an average of 5 percent, while personnel costs were expected

to increase by 6.3 percent, with services and supplies remaining steady. She referred to the *Freakoutness Chart* on the slide titled *General Fund (GF) – Updated Five-Year Forecast* and noted that the County was forecast to experience unsustainable structural deficits. She recalled that the information presented was the same as when the budget was initially adopted; however, the numbers had been updated since FY 2025 was complete. She said that the County was preparing a cost plan, or personal forecast, to provide a clearer understanding of projected financial standing through June 30, 2026, as well as for the entirety of FY 2027. She addressed the chart on the *General Fund (GF) – Updated Five-Year Forecast* slide and said that while the fund balance figures themselves were not considered critically low, the downward trajectory raised concerns. She explained that the projected years indicated declining fund balances, which were outside the Board’s policy but close to the County’s legal requirement of 4 percent. She mentioned that the County had a 4 percent General Fund balance, which would likely introduce additional cash flow challenges requiring different financial strategies.

Ms. Cooke said there was a negative impact on total revenue across the projected FYs, as expenditures would exceed anticipated revenues. She reported that the County was finalizing the base, which meant contracts, increases, and the cost plan were in progress. She noted that she would continue to update the Board. She referred to the slide titled *General Fund (GF) – Updated Five Year Forecast* and said that the forecast continuously changed. She explained that she was optimistic regarding the p-tax and c-tax forecast estimates and that there would be no above-base or ongoing enhancements. She said the five-year forecast included salary savings and a 1.5 percent contingency, with the State maximum at 3 percent. She mentioned that there would be no investment reflection; therefore, if a major technology implementation or project became a priority, it was not reflected in the forecast as an additional cost increase. She said the new two-year PERS rate would be announced next November. She asserted that there were almost always legislative impacts on the County and that another legislative session would occur in 2027. She said the forecast included insufficient Capital Improvement Project (CIP) transfers for current infrastructure, and that \$18 to \$20 million had already been invested in infrastructure, excluding funding for new projects. She mentioned that there were no identified funding mechanisms for major CIPs, including Capital Improvement and Road Funds, which she said were not inexpensive and contained major considerations.

Ms. Cooke read from the *Summary* slide and recalled that reemphasizing conversations and discussions from previous budget updates was a priority, and that she wished to continue sharing resources for net zero and reallocation requests. She noted that Assistant County Manager (ACM) David Solaro would provide further updates, and she believed the County was making interesting investments in County processes and future efficiencies. She read from the slide titled *We are Not Alone* and asserted that Washoe County was not the only agency struggling. She reiterated that 196 local governments across the US had similar concerns, as reported in a survey, including 50 percent being financial representatives and 50 percent being executive management. She said that 60 percent of respondents discussed modernizing inefficient systems, and 47 percent chose advancing construction or capital projects. She opined that strategic planning was an important process that allowed local governments to align resources with their priorities to

better serve their communities. She referred to the link on the *We are Not Alone* slide for anyone interested in reading the full report from the October 2025 Local Government Budgeting and Planning Outlook. She said that increasing financial transparency, local funding, and adding or expanding community programs were the lowest priorities according to the report, which she found unfortunate. She indicated she was available to answer any questions. Chair Andriola informed Ms. Cooke that she may be called upon later for further questions.

Commissioner Hill said that the State controlled all potential revenue sources for the community except State Goods and Services Tax (SGST), which could bring in \$20 million a year if the Board chose to approve it. She asserted that the Board should have a policy discussion regarding SGST. She said that the State told the Board how much was needed for fund balance but then approved a heart and lung claim policy that would increase the County's budget expenditures. She believed that Clark County was anticipating a \$50 million budget hit due to the recent heart and lung policy change. She asked Ms. Cooke if she knew what the County was expected to spend. Ms. Hill said she did not know the expected expense because many factors were involved in heart and lung claims, including age, disability payments, and surviving-spouse payments. She speculated that it may have a possible \$2 million impact on the County's budget. She said the policy covered any lung claims dating back to 1985 through C19. Commissioner Hill noted that 2030 would be midway through her third term if she were reelected. She asserted that the region could be in trouble and wondered how the State could make this policy for the region if there were no financial changes to the community. She said the State could require large cuts and would not allow the County to run a business. She reiterated that it was important for the Board to discuss possible solutions and how the County could deliver services most effectively. She said the community wondered how the County could not keep up with growth and why revenue was not increasing to match expenses, which she felt was a State issue.

Chair Andriola added that the October 2025 Local Government Budgeting and Planning Outlook was in collaboration with 196 local government respondents across the US who were facing similar situations. She expressed excitement for the workshop and the overviews provided by the presenters. She said that some of the information was not great; however, the Board could not make decisions without understanding the details. She asserted that the Board had an obligation to share and be transparent with the public when serving the County.

11:15 a.m. **The Board recessed.**

11:31 a.m. **The Board reconvened with all members present.**

Assistant County Manager (ACM) David Solaro conducted a PowerPoint presentation and reviewed slides with the following titles: Why we do what we do. (2 slides); Where is this knowledge held?; How do we do it?; Service Level; Infrastructure example: Scorecard.

CM Thomas said ACM Solaro would discuss mandated County services, as requested by the Board. She mentioned that, when reviewing the County's structural deficit, it was important to distinguish between what the County was required to do and what it was currently doing.

ACM Solaro stated that Dr. Larmore had previously noted an influx of population that expected services beyond what the County could potentially provide. He reviewed the second slide titled *Why we do what we do* and explained that Nevada State Law consisted of 823 distinct chapters, including the NRS. He added that those laws governed Nevada, including its counties, cities, and other districts, as well as General Improvement Districts (GIDs). He stated that, of the 823 chapters, 116 of those mandated that Washoe County, either through the County itself or its elected officials, provide services to residents, with or without funding. He noted that the County must comply with all State laws when conducting business, regardless of whether those laws mandated specific services. For example, he said that if the County chose to own property, it must comply with all applicable laws. He indicated that service levels were determined by State law and whether a service was mandated. He mentioned that there was a single Strategic Plan, outlined by the BCC, to guide decision-making, forecast future impacts accurately, and outline priorities with specific actions, resources, and timelines necessary for success. He explained that the Strategic Plan bridged the County's and the community's high-level aspirations with the organization's day-to-day operations and provided a common, defined future from which many non-mandated services originated, which helped mitigate future impacts.

ACM Solaro reviewed the slide titled *Where is this knowledge held?* and said that Washoe County published an annual budget book that contained information on mandated services. He noted that each department had its own section that outlined its functions and the State laws that mandated the service. He stated that the comprehensive budget book included the BCC's financial policies. He emphasized the importance of the public's understanding of how budgetary decisions were made, as discussed on page 380 of the book, which outlined the BCC's budgeting strategies and fiscal policies. He said the slide included the website address, which allowed the public, department heads, and employees to access the information and better understand how and why funds were allocated.

ACM Solaro reviewed the slide titled *How do we do it?* and said that the Washoe County Code (WCC) consisted of 29 chapters, which established the laws enacted by the BCC that governed County operations and the services it provided. He stated that Washoe County had 2,855 filled positions, with 3,060 full-time approved positions and 63 part-time positions. He acknowledged employees who understood the budget book, the policies implemented on behalf of the Board, and how services were provided. He emphasized that the public was served by people, not by computer applications, and that staff relied on their employees' expertise to provide services outlined in State law and the WCC.

ACM Solaro reviewed the slide titled *Service Level* and explained that everyone affected the level of service provided. He noted that the law did not always define service levels and that the BCC determined some of those. He shared that as conversations on the proposed Washoe County budget took place, actual service levels might need to be adjusted to reflect the Board's priorities, including master planning. He believed workshops offered the Board an opportunity to provide feedback and to guide how suggestions were incorporated into the budget-making process. He shared that the NRS required that if Washoe County accepted a roadway, the County would own and maintain it, but he added that the NRS did not dictate how the County would maintain the roadway. He stated that, through certain financial policies, the Board would set the policy level for roadway maintenance. He referred to the pavement condition index, with an ideal score of 71, as part of the infrastructure scorecard. He explained that the day-to-day maintenance differed from policy goals. He indicated that, due to minimal snowfall, the roads crew's overtime budget remained generally untouched. He mentioned there was no written policy for plowing roads, but there were various safety guidelines. He shared that some citizens expected streets to remain clear at all times, even during snowfall. He acknowledged the roads crew did a great job; however, Washoe County's environment was unpredictable. He said the public needed to understand that expecting streets to remain clear at all times was unrealistic. He said that there was no written policy and added that the roads were maintained for safety. He believed a service level was set by employees that might be higher than the average citizen expected.

ACM Solaro noted that while the law sometimes determined service levels, it generally provided time frame guidelines. He explained that the Washoe County Assessor's Office should reappraise all real property at least once every five years, which established the baseline service level. He noted that service levels could also be set by industry standards or accreditation, such as caseloads per attorney or autopsy timelines required to maintain accreditation, which could be established through policy-by-practice. He explained that department heads and elected officials typically set service level policies within their own offices, such as response times for voicemails and emails. He indicated that those office policies had ramifications for staffing levels required to provide those services and information to the community. He mentioned that with technology and the use of cellular phones, the public expected immediate responses to phone calls and emails. He thought the Board had received feedback from constituents regarding service levels, but no citizen survey had been conducted to assess whether expectations were met. He believed that employees often aimed to provide a higher level of service than the community expected and that some staff found it challenging to delay responses rather than reply immediately. He remarked that service expectations and costs could be adjusted and managed through the budgeting process.

Vice Chair Garcia asked whether ACM Solaro could provide examples of other boards or entities throughout the County that established their own service levels.

ACM Solaro mentioned that service levels were set in various ways. He explained that the Washoe County Open Space and Regional Parks Commission (WCOSRPC) was authorized by the BCC to set service levels for certain policies within

parks, but not for how parks operated. He said that service levels set by other regional entities could influence Washoe County's service levels. He mentioned that if the Cities of Reno and Sparks made changes, Washoe County might need to adjust its service levels to ensure responsiveness and consistency across the organizations. He stated that the Board had a significant role in setting each department's budget and that the department head could then determine which services could be provided. He believed that the budget was a powerful policy tool that influenced how departments determined which services to provide and the policies they adopted. He hoped that the Board agreed and understood that there would be future discussions during the budget congress. He thought that staff could sometimes feel stymied when considering reductions in service levels due to community pressures or input communicated through individual Board members. He said that although staff worked for the Board, they also listened to individual Commissioners, which could affect how services were provided.

Chair Andriola commented that aligning expectations was a multifaceted process. She found reviewing feedback on service levels challenging, as the departments that did the work were best positioned to assess possible adjustments and their impacts. She felt that workshops showed transparency and thought that feedback should be considered alongside budget decisions and their effects. She acknowledged that further budget discussions would take place but emphasized that decisions affected everyone. She noted the importance of public engagement as an opportunity for awareness. She shared that the roads' infrastructure score had an *F* rating. She stated that Dr. Larmore said new residents often bring expectations from their previous communities. Commissioner Andriola believed the community should have a chance to provide input. Since moving to Washoe County, she had observed that funding for roads had remained an ongoing issue. She stated that setting expectations should not solely be the BCC's responsibility, but rather a collaborative effort that included community engagement. She suggested that helping the public understand constraints and then recalibrating expectations could be beneficial. She suggested that new residents might not realize snow removal could take time, whereas long-term residents were likely aware. She emphasized the value of having a workshop to review data and determine a successful outcome and added that decisions should be guided by facts. She encouraged staff to be mindful and continue engaging the public as decisions were made.

ACM Solaro said that while it was easy to propose ideas, implementation could be difficult. He explained that the effort to establish baseline service levels across all departments, based on the resources currently allocated by the Board through the budget process, was challenging.

ACM Solaro reviewed the slide titled *Infrastructure example: Scorecard* and said the infrastructure scorecard was developed to track the County's infrastructure performance based on available funding and resources. He indicated that infrastructure was evaluated across several factors, including capacity, condition, funding, future need, operations and maintenance, public safety, resilience, and innovation, to determine service levels given the current resources. He indicated that the slide compared scorecards for FY 2022 and FY 2025 to highlight adjustments over time. He mentioned that the Board had

directed efforts to raise the grade and noted that some areas were more successful than others. He remarked that during data collection, staff assessed current conditions, which were refined annually. He shared that ratings for the funding and future roads needs categories had declined since FY 2022, partly due to economic pressures such as rising asphalt costs and reduced purchasing capacity. He thought that many households had experienced a similar situation, with increased grocery costs. He said it was difficult for the government to manage assets worth billions of dollars while maintaining a high service level. He noted that the infrastructure scorecard provided a data-driven tool to help staff make informed decisions and prioritize work. He stated that many of the items listed on the scorecard were user funded. He pointed out that equipment services, sewer collection, recycled water, and sewer treatment had dedicated funding, a current book of business, service levels, and established rules and regulations. He explained that some of the more discretionary areas were being addressed based on difficult decisions previously made by the Board members from 2009 to 2011. He said that staff had been working through those categories to better understand the appropriate services to provide, including internal services such as facilities and equipment.

ACM Solaro noted that staff conducted surveys for parks, with the majority of users expressing satisfaction with current parks, trailheads, and amenities. He shared that although the parks' grade remained low, it had improved since FY 2022. He noted that staff had gathered additional information regarding stormwater, but some issues previously discussed with the Board remained. He thought it was easy for outsiders to offer opinions, but managing a broad range of services and prioritizing limited funding was challenging. He emphasized the Board's importance in prioritizing all aspects of infrastructure. He indicated that once strategic planning decisions were made, the next step would be to establish an affordable baseline service level. He said that while the Finance Team could provide suggestions, the process remained difficult. He commented that the County's knowledgeable department heads and elected officials could guide staff through necessary changes. He highlighted that creative decisions would continue to be required for the Strategic Plan regarding jail-based mental health and court facilities. He explained that some County services were not mandated but were provided proactively to mitigate anticipated pressures.

Commissioner Hill acknowledged the complexity and noted that, even without a mandate to maintain pavement at a specific index, failing to do so could lead to full road replacement, which she viewed as an inefficient use of taxpayer dollars. She indicated that some roads may pose hazards and said that the County was also subject to the health district's mandates. She suggested that the Board's decisions could affect many aspects of the County. She recognized that the County had decided to assume responsibility for homeless services, which she believed would save taxpayer dollars, citing that a stay at the Cares Campus was approximately \$60 per night. She emphasized that services that may or may not be mandated by law could save taxpayer dollars and improve the community's economic vitality. She explained that some investments, such as public parks, improve the quality of life. She believed those investments demonstrated to the community that there was no easy fix. She mentioned that the County tried to supplement programs beyond State-mandated limits to ensure community members were supported. She highlighted the

complexity of decision-making and appreciated the valuable information provided to the public.

ACM Solaro thought that many non-mandated services were important to the community. He noted that services were provided for specific reasons, such as benefits to the community, improvements in quality of life, or cost reduction. He felt that those services helped build community, which he considered important. He said that limited funding required difficult decision-making. He recalled a prior discussion regarding AI and explained that the goal was not to reduce the number of employees but to provide tools that would allow staff to do more with the same resources and deliver better service to the community. He stated that the County would not necessarily need to invest in AI and could instead hire another employee. He surmised that the public and some employees might not fully recognize the thoughtful decision-making that occurred behind the scenes.

Vice Chair Garcia acknowledged the leadership in FY 2022 that established the infrastructure scorecard and thanked Commissioners Hill and Herman for their efforts, noting that the scorecard provided a framework for focusing on specific infrastructure. She mentioned that the RTC commissioned a maintenance needs study in May 2025, examining roads in the Cities of Reno and Sparks, Washoe County, and the RTC's roads. She noted that a blanket comparison determined all jurisdictions had approximately \$600 million in deferred maintenance and faced budget shortfalls. She explained that continuing to update the infrastructure scorecard, supplemented by regional studies, would strengthen the data and support effective storytelling. She suggested that constituents often overlook maintenance and infrastructure needs, and that high costs could lead to deferral. She mentioned that postponing some projects might result in larger future expenses if not addressed in a timely manner.

Chair Andriola thought that raising awareness of issues and understanding their complexity was valuable. She recalled a discussion with ACM Solaro regarding regionalizing sewer, wastewater, and stormwater services, while noting opportunities to improve efficiency and reduce costs, which she was extremely proud of. She believed that, in challenging times, difficult decisions could become opportunities. She acknowledged that not everything was perfect but thought that everyone worked hard and was valued as a contributor to the community. She said that collaborating to find solutions and make improvements provides opportunities to manage complexity. She stated that, rather than focusing on systemic funding, the discussion should center on available resources and recognize that sometimes what should be easy was not. She thanked ACM Solaro for presenting the slide titled *Why we do what we do* which outlined the County's responsibilities and mandated services. She asked how the figures on the slide for mandated and non-mandated services might translate into dollars, given their relation to the budget for both revenue and expenses. She reiterated the earlier comments of Commissioner Hill and Vice Chair Garcia regarding the shortage of housing for foster children. She indicated that the Kids Kottage had experienced highs and lows and had been impacted by federal mandates. She felt that the County had a responsibility to support foster children without homes. She shared that Judge Egan Walker, with whom she had known and worked for many years, stated that 70 percent of the adults who entered the court system and were

sentenced were directly related to foster care. She suggested that the topic could warrant an entire workshop to explore ways to improve services and prevent the situation from recurring. She reiterated that she had previously requested that dollar amounts be included in future presentations. She mentioned that she looked forward to receiving information on the revenue from mandated services versus their expenses, as well as the remaining balance.

ACM Solaro explained that many factors influence service delivery and that the scorecard was created to present them more effectively. He suggested that a similar approach could be used to develop a mandated service scorecard.

Commissioner Clark requested clarification on the roles of the Cities of Sparks and Reno and the County in providing services, and asked for examples of how services were adjusted.

ACM Solaro indicated that his earlier examples illustrated how Washoe County might set service levels based on practices of other entities. He noted that he specifically mentioned snowplowing because it was wintertime and shared that the community often praised Washoe County for keeping roads clear in the winter. He said that the City of Reno might not be as attentive to snow removal, and that many people drove through Washoe County to get to their jobs in Reno. He thought that Washoe County's service levels affected the City of Reno when they differed. He stated that the City of Sparks provided a higher level of stormwater service, whereas, per the Washoe County scorecard, the County struggled with its stormwater infrastructure. He said those were examples of how other jurisdictions created a disparity, from the citizens' perspective, in how the County spent funds and the reasoning behind its decisions.

Commissioner Clark felt that the County should not lower its service levels based on other jurisdictions' performances and added that the County was doing well in many areas and that lowering its service levels would not serve its citizens well. He surmised that although Washoe County had some of the highest gas taxes in the Nation, the condition of the roads continued to suffer. He mentioned that the citizens were aware of annual increases and the higher cost of living. He opined that many interstate truck drivers often avoided filling their large fuel tanks in Washoe County and instead purchased fuel elsewhere. He expressed concern that interstate drivers use Washoe County roads but do not contribute to the gas tax when they refuel their vehicles in other counties. He said no one had addressed the budgetary impact of County employees, and added that in some departments, over 90 percent of the budget was spent on employees, and Countywide, employee costs exceeded 80 percent of the total budget. He emphasized that employee costs were the County's largest expense, which needed to be addressed. He indicated that, although he did not want anyone to be laid off, he believed it was important that County employees understand that layoffs could occur due to economic conditions. He remarked that employees who had passed their probationary period should understand the role of seniority. He asked whether employees represented the largest expense in the budget and emphasized that a thorough, honest budget discussion should include consideration of the

County's workforce. ACM Solaro confirmed that personnel were the largest expense. Commissioner Clark restated that the budget discussion needed to address the employees.

ACM Solaro stated that the ability to provide a level of service directly impacted the number of employees needed. He thought that, given the current budget, a baseline could be established to determine the staffing required to maintain service levels. He thought decisions could be made to adjust the service level. He agreed that discussions were necessary to understand services, budget, and staffing. Commissioner Clark shared that he had spoken with County Clerk Jan Galassini regarding the upcoming BOE hearings and reported that Ms. Galassini shared that the Washoe County Assessor's Office had done an excellent job reducing the number of hearings. He said that she noted that, out of approximately 190,000 Washoe County parcels, about 40 hearings would be held. He praised the Assessor's Office for reaching agreements with property owners, which reduced the workload for the Clerk's and District Attorney's Offices for the BOE season. He believed that represented true cost savings, minimized interactions and friction with taxpayers, and was an example of one department helping others save time and effort. He suggested that departments that developed efficient processes, discussed creative solutions with department heads, and shared successes with the Commissioners should be recognized. He emphasized that the department employees were subject matter experts, not the Commissioners, and that perspective should be a key part of budget discussions.

Chair Andriola assumed that the upcoming budget congress with the department heads would generate valuable ideas. She mentioned that she looked forward to learning more about electric vehicles (EVs) and thought that discussions about high fuel prices needed to be balanced with the drivers of EVs, who did not pay for fuel. She felt that was an example where the Legislature could make changes but acknowledged that there could be future opportunities to address the issue. She explained that budget discussions should focus not only on cost-cutting but also on identifying efficiencies and considering strategic investments. She said that she looked forward to future discussions with department heads and their suggested efficiencies. She emphasized the importance of reviewing suggestions on roads, EVs, and business plans to improve efficiency.

Chief Financial Officer (CFO) Abbe Yacoben conducted a PowerPoint presentation and reviewed slides with the following titles: What are we doing to remain fiscally sustainable?; What is our strategy today?; Next Steps.

Ms. Yacoben reviewed the slide titled *What are we doing to remain fiscally sustainable?* and said that the BCC had a robust, mature long-term strategic planning process, which she considered a success. She shared examples of high-level, visionary, large-scale projects, including behavioral health, housing, senior services, and infrastructure. She indicated that those large-scale projects accounted for the largest share of taxpayer dollars and served as anchors in budget discussions. She noted that there were two major types of budget proposals. She stated that one type was required by the NRS, WCC, or other legislative mandates, which she referred to as essential services that would benefit the community and could help avoid future costs or disruptions to lifestyle. She indicated that the Strategic Plan guided activities at all levels, daily, weekly, monthly,

quarterly, and annually. She said that for accountability, if the service did not fall into the essential services category or any of the four orange items listed on the slide, it would be evaluated to determine whether it was necessary. She mentioned that the Board would share its vision so staff could determine how to accomplish tasks within a reasonable timeframe and explain potential outcomes. She noted that if a task proved unsuccessful, staff would pivot accordingly.

Ms. Yacoben believed the Board would recall the fiscal policies affirmed each year and added that ACM Solaro referenced those policies on page 380 of the budget book. She said she would highlight a few policies she considered impactful. She commended the Board for thinking ahead and adopting fiscal policies that set the foundation for the County and served as a guide to current and future fiscal sustainability. She explained that, under fund balance and reserve policies, cash must be available because revenue collection did not always coincide with expenditure timing. She emphasized the importance of maintaining a fund balance and reserve, noting that the current policy would allocate between 10 and 17 percent of prior-year expenditures to achieve the Board's vision.

Ms. Yacoben said that the BCC thoughtfully directed \$4 million to be held for emergency stabilization, which could seem slightly counterintuitive, but would allow funds to be accessed in an emergency. She mentioned that County Treasurer Justin Taylor and his staff focused on preserving taxpayer dollars and how the funds were spent. She explained that Mr. Taylor and his staff worked with the Community Services Department (CSD), which had the largest capital improvement program and an unpredictable cash flow. She noted that Mr. Taylor and his staff were aware of typical cash flow and could watch for spikes to invest accordingly with an investment advisor. She said that the investment yields would determine how much money was generated to supplement the General Fund and other invested funds. She added that all investments were strictly regulated by the NRS and could not be treated like personal investments. She shared that the County followed the law and carefully considered cash flow needs, and she emphasized the importance of preserving that principle. She stated that the infrastructure scorecard presented by ACM Solaro was a successful tool for prioritizing projects. She believed that proposing capital improvement projects was forward-thinking, supported sustainability, and aligned with cash flow projections.

Ms. Yacoben shared that Budget Manager Lori Cooke and County Comptroller Cathy Hill had discussed the five-year forecast on numerous occasions. She explained that the County used a highly sophisticated forecasting mechanism that enabled staff to forecast costs down to the individual level. She said that with 3,000 employees and several collective bargaining units, the forecast built the current year as a foundation and escalated projections for the next five years based on 80 percent of General Fund expenditures. She commended the Board for setting the policy and the team for executing the forecast.

Ms. Yacoben suggested that, when it came to grants, not all free money was good money. She indicated that once grant funds were spent, they would automatically be

transferred to the General Fund. She said that sometimes there was pressure to move that funding into the General Fund because the public had grown accustomed to it, which she argued was not the kind of money that was good money. She shared that the budget book included several pages of financial policies. She explained that she monitored external auditors and rating agencies for potential warning signs. She mentioned that the Board had received two rating increases and various revenue pledges over the past three years, reflecting the Board's deliberate decision-making. She added that rating agencies did not expect perfection, but they did expect decisions to be deliberate. She commended Ms. Hill for her excellent presentations on the year-end clean audit opinion.

Ms. Yacoben reviewed the slide titled *What is our strategy today?* and said that Ms. Cooke's presentation showed a fund balance of 30 to 31 percent as of June 30, 2025, which was above the Board's 17 percent policy. She explained that it did not mean the County would have all that beginning fund balance to spend in the upcoming years, because it was one-time money and not recurring revenue that could be included in the budget. She noted that natural contractual increases would still apply. She shared an example of a software agreement or an auditing contract that increased by 3 percent and would need to be included in the 2027 budget across all 24 departments. She noted that some base adjustments were substantial and needed to be removed. She added that the required natural personnel increases needed to be reviewed, as previously discussed by Ms. Cooke. She noted that a few one-time capital projects were essential and would need to be prioritized, and she planned to present them to the Board for next year's budget cycle. She shared that executive leadership was being encouraged to be creative, including one-time spending on technology or other measures that would make life easier, which would translate into making a taxpayer's life easier. She suggested using contracts rather than hiring a new employee, which often saved money and showed the community that the County had strong partnerships. She suggested that CM Thomas would likely recommend increasing capital funding transfers, not up to the level needed to keep the infrastructure scorecard constant, but at least a partial increase. She said that, for the second consecutive year, departments were asked not to request additional personnel because both revenue and personnel trajectories were diverging, making such additions unaffordable.

CM Thomas stated that she was pleased with the organization's fiscal resilience and its approach to fiscal policies, which the Board strongly supported. She expressed pride in the work of the 3,000 County employees and the services they provided to the community. She recalled a previous presentation on jobless growth, in which there was a national expectation that millions of jobs could be lost, even with increased market performance or productivity. She explained that if such a scenario occurred, the County was a known organization that would assist those who lacked resources using the current staff. She clarified that she was vehemently opposed to reducing existing personnel and added that most departments needed additional resources, not fewer. She said that staff worked hard to align the organization's salaries through the Korn Ferry study, ensuring they were in the regional mid-range. She stated that, during a period of economic uncertainty and challenging circumstances for employees, she would not recommend salary reductions to the Board. She emphasized the importance of understanding how work was conducted. She said that, in long-term planning, the organization worked extremely

hard through the budget congress, elected officials, and department heads to determine what could be done. She felt that the County would need to do more with the same resources, given limited additional capacity, and reiterated that she would not support a reduction in the employee base.

Ms. Yacoben mentioned, in response to CM Thomas's comments, that the County was exploring innovative ways to do more with the same resources. She acknowledged pushback from the Board, which she understood, but explained that she generally did not recommend mid-year budget requests for increased expenditures, particularly for personnel. She said such requests limited the Board's ability to fully evaluate all proposed programs and services, allowing them to see one item in mid-November, which she felt was not an effective way to make policy. She proposed that when a position became vacant, a department could consider modifying it to better meet current needs, noting that what was needed 20 years ago might no longer be relevant. She explained that she had previously denied that as an option but recognized that, if departments were asked to keep their position counts flat despite rising costs, creative solutions were necessary. She shared that moving forward, departments would be allowed to shift positions as long as the overall cost remained net neutral. She added that there were internal ways to manage that and said the Board would see creative changes to the Job Evaluation Committee (JEC) that would remain cost-neutral. She provided examples from the Washoe County Sheriff's Office (WCSO), where in one scenario two positions were reduced to one, with another position increased from one to two, with the net difference around \$500, keeping the total position count at four. She mentioned that increasing the position count was the Board's responsibility. She noted that such creative solutions would go before the Board with established guidelines and asked for the Board's support to keep overall headcount flat.

Ms. Yacoben reviewed the slide titled *Next Steps* and said that the internal, innovative budget congress would take place on February 3, 2026, marking its second year. She praised the team, noting that the outcomes of the internal budget congress would be impressive and that she looked forward to the discussion. She explained that one representative from each department would come together to identify pain points, improve efficiency, and solve problems collaboratively. She shared that on April 14, 2026, the CM's proposed budget would be presented to the Board, as it was required to be filed with the State by April 15, 2026. She mentioned that the public hearing would be held on May 19, 2026, and by June 1, 2026, the budget would be filed with the State Department of Taxation.

Commissioner Hill stated that, prior to April 14, 2026, discussions would be helpful to ensure the Commissioners understood the new recommendations and the details of expectations. Ms. Yacoben added that she was open to receiving feedback.

Commissioner Herman said that the presentation was excellent.

Chair Andriola hoped for more opportunities for community engagement. She shared that the budget book was an important resource. She commended Ms. Yacoben

for her work on the evolving Washoe County Checkbook, highlighting that it now included statutory requirements. She suggested offering another Budget 101 meeting when the time was appropriate. She emphasized the importance of engaging the public and receiving feedback. She shared that she had researched chartering a course and understood it was a process that many had experienced. She said the course was designed during a period when Washoe County's revenues dropped to 40 percent, which she hoped would never recur. She explained that during that time, many witnessed the decimation of the construction industry and job losses, but she said that chartering a course provided a valuable guideline. She thanked ACM Solaro, CM Thomas, and the staff, and she expressed her appreciation for their efforts in addressing concerns. She thanked everyone in attendance and noted that anyone who read the Raftelis Report would see the recommendation to create a workshop that would allow staff to present detailed information that could not be covered during a regular BCC meeting due to time constraints. She hoped that everyone found the workshop beneficial and thanked staff for their thorough preparations, noting that their efforts were recognized and appreciated. She highlighted that developing a complex presentation demonstrated staff talent and dedication, and she looked forward to recommendations on how to do more with the same resources, recognizing that tasks that might appear simple were complex. She hoped that the meeting would provide a national outlook with a framework for understanding its local impact. She believed that Washoe County was on the right path in housing and many other areas, but emphasized the importance of discussing the steps, expectations, and alignment with the public, allowing for opportunities to provide feedback and understand trade-offs.

26-0082 **AGENDA ITEM 5** Public Comment.

Trista Gomez stated that she wanted to remind County Manager (CM) Kate Thomas and Vice Chair Garcia that she had submitted two public records requests (PRR) for the capital cost of the Cares Campus. She alleged that the first request was denied, with the reason that an exhaustive search had been conducted but no information was found. She stated she had submitted a second request, which specified that if the County was unable to give her the information in aggregate, then they could provide her with the contractors, permits, consulting fees, and similar things, and she would find the information in the Checkbook and could retrieve the raw data herself. She stated she was okay with getting the information as raw data and reiterated that it was her second request through Washoe 311 and several other departments. She referenced an earlier presentation that day and explained that she was requesting the raw data to obtain information on hourly wages for different people. She stated that the government was listed as number four out of fourteen on the list, and she believed that number did not include personnel benefits. She said when she looked at those types of costs, if there were 70 employees at the Cares Campus, as she had heard, that would equal over one million dollars in just personnel costs on that campus alone. She stated that those things needed to be taken care of. She explained she had not lived in town since approximately 2018 and currently lived in a neighborhood where she was going to work while people were walking to bus stops at six in the morning. She said her neighbors had two jobs and that she was around people who donated plasma to pay their bills. She stated that it was a new demographic and that she had not dealt with it before. She was concerned that those people were paying additional

costs for the Cares Campus. She stated she was going to speak more about her experience at the Cares Campus, and that this was an important piece of cost savings inside of the County and how that was impacting residents and what that meant for people. She insisted it was a big deal and questioned if it was a disparity. She reiterated that she was interested in those costs and would be happy to have the raw cost data. She specified that she originally requested those costs on December 16, but she still did not have them.

Terry Brooks read a poem on the topic of age discrimination.

Janet Butcher thanked Chair Andriola for having the budget meeting in Chambers. She stated that she had not always followed the Board meetings, but that over the past five years she had, and she thought all of the Board's budget meetings had been in obscure, little places. She felt it was unfortunate that more people were not there and noted she found the subjects interesting. She stated that she really liked the gentleman who gave the big overview and mentioned the 10 percent cap. She said she thought it was a great idea and hoped it could come to fruition. She added that her granddaughter received invitations to join for up to 34 percent, and she questioned the idea of being on such a low budget and paying 34% to borrow money short-term. She stated that she appreciated the word *return on investment (ROI)*. She said that she knew not all departments could, but that there were departments that should look at that. She stated that it did not have anything to do with the Commissioners, but she mentioned that she knew people who were unaware that if you had a low credit rating, you paid higher car insurance. She guessed that the philosophy behind that was that if you had a low credit rating, you were not a good driver. She stated that she knew many people who made a lot of money but were not good drivers.

26-0083 **AGENDA ITEM 6** Announcements/Reports.

Commissioner Hill stated that she had two items to discuss regarding the budget. First, she requested a report to the Board on how much more Washoe County was spending on Immigration and Customs Enforcement (ICE) detainees compared to the amount the County was reimbursed. She said she thought it was important that both the Board and the citizens understood the cost. She stated that, while she was not sure whether the Sheriff needed to present on that topic or whether it should instead be a memo to the Board, it was a discussion the Board should have. The second item Commissioner Hill wanted to share was regarding a matter for which she had requested information a few months ago. She explained Nevada Revised Statutes (NRS) does not allow the County to create preferences when buying certain media. She gave the example of buying Spanish media and creating a preference, with the rationale that perhaps 30 percent of the population were Spanish speakers. She said there was a duty to disseminate information equitably, especially if the County was purchasing media and was required to go with the low bid. She thought there might be other ways they could reach the full community. She stated she had already sent those to County Manager (CM) Kate Thomas and suggested that the team could create a directory of all media, including whom they reached, which could serve as a reference guide for staff to understand all the opportunities for engaging in paid media with diverse sources. She also suggested creating a report for paid media, detailing who the County was purchasing from, to provide the Board with transparency.

She stated she had put those materials together and hoped they could be part of a budget discussion, with the understanding that the County did not run much paid media overall. She concluded by reiterating that if the County did run paid media, she wanted to make sure it was equitable and that they were reaching the entire public.

Vice Chair Garcia agreed that the meeting was great and thanked the staff again for setting up the room. She stated that she knew it took a lot of heavy lifting, both literally and figuratively, to get the room looking as it did. She also thanked the guest presenters for joining. She mentioned that she appreciated the slide that read they were not alone. She stated that as the Board looked at the Cities of Reno and Sparks and the Washoe County School District (WCSD), all the entities shared common challenges, as costs were rising faster than recurring revenues. She thought it was the theme they were all facing, and that it would take a lot of collaboration. She noted that, at the end of the day, the uncomfortable reality was that they could manage it well and still fall behind because of the structural deficit the County faced. She stated she was looking forward to exploring the topic further and that the goal for the day was to work through some of the priorities for next year, which she thought was achieved.

Chair Andriola stated that she had recently found out there was, statutorily, an opportunity for seniors who had hardships to receive a break on their property taxes. She stated she found that it had not equated to being current. She mentioned she had spoken with County Assessor Chris Sarman about opportunities to research the issue. She thought that, with how many seniors Washoe County had, it was an issue they could look at. She stated that while she did not know what Washoe County could or could not do, she did know the program was available at one point but no longer was for various reasons. Chair Andriola shared that on February 4, the Spanish Springs Citizen Advisory Board (CAB) would hear from the Sparks Homeless Outreach Proactive Engagement (HOPE) Team, along with the Washoe County Sheriff's Office's (WCSO) HOPE Team, about the great work they have done. She stated she hoped to see everyone there. She added that she also reached out to Judge Egan Walker to give a presentation on the correlation between the sequential intercept model (SIM) and its related concepts. She referred back to a meeting she and Commissioner Herman had with Judge Walker in which he shared that millions of taxpayer dollars were being saved because Washoe County was in its third year of implementing the SIM, which extended to programs such as Our Place and the Cares Campus, along with addressing the mental health issues as a jail-based program or through other resources in the community. She noted that Judge Walker used the term *millions and millions*. She added that sometimes a person could look at things and not necessarily understand the direct savings and impact. She said she was looking forward to hearing from Judge Walker and his team, as well as Chief Financial Officer (CFO) Abbe Yacoben, County Comptroller Cathy Hill, and Budget Director Lori Cooke. She hoped the Board could have a presentation before the budget so they could better understand the large expenditure in Washoe County, as those expenditures had historically been taken on collaboratively with other jurisdictions. She thought having an understanding not only of the cost but of the savings would help them determine which resources to consider to ensure a return on investment (ROI). She was grateful for the third-party independent study and how much it had revealed. She stated she remained excited about the information. She

added that she hoped the special meeting would not be the last, as the third-party study indicated that topics such as the budget were ideal for workshops, as the Board focused on one subject with substantial quality information and discussion among the Commissioners. She thanked everyone for their hard work and acknowledged that she understood the amount of work it took behind the scenes to deliver a presentation of that size while still making it feel succinct. She stated she hoped everyone liked the meeting format. She said she felt that it was a success to celebrate moving forward and looked forward to whatever the future might hold.

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12:55 p.m. There being no further business to discuss, the meeting was adjourned without objection.

CLARA ANDRIOLA, Chair
Washoe County Commission

ATTEST:

JANIS GALASSINI, County Clerk and
Clerk of the Board of County Commissioners

Minutes Prepared by:
Brooke Koerner, Deputy County Clerk
Lizzie Tietjen, Deputy County Clerk
Jessica Melka, Deputy County Clerk
Andrew Garnand, Deputy County Clerk