

Carolyn G. Goodman, Mayor (At-Large)
Brian Knudsen, Mayor Pro Tem (Ward 1)
Victoria Seaman (Ward 2)
Olivia Díaz (Ward 3)
Francis Allen-Palenske (Ward 4)
Cedric Crear (Ward 5)
Nancy E. Brune (Ward 6)



City Manager Jorge Cervantes
City Attorney Bryan K. Scott
City Clerk LuAnn D. Holmes

City Council Agenda

Council Chambers · 495 South Main Street · Phone 702-229-6011
City of Las Vegas Internet Address: www.lasvegasnevada.gov

April 19, 2023
9:00 AM

38. Discussion for possible action regarding the use of settlement recoveries received by the City from opioid-related litigation - All Wards

Minutes:

CITY MANAGER JORGE CERVANTES was present with ASSISTANT CITY ATTORNEY JEFF DOROCAK and said funds from the opioid settlement were collected and put in a special reserve account. MR. DOROCAK reviewed the history of how the City entered into a statewide settlement agreement, some of the money that has been collected to date, and how those funds are used.

Through a PowerPoint presentation, a copy of which was submitted and attached as backup, MR. DOROCAK said this item was requested by COUNCILWOMAN BRUNE at a previous meeting. In July 2021, the City, along with 28 other local governments and the State of Nevada, entered into the One Nevada Agreement, which set up a statewide allocation formula for statewide settlements with opioid manufacturers, distributors, and retailers. He noted Eglet Adams was outside legal counsel for this matter and reviewed a breakdown of funds from the PowerPoint. The City of Las Vegas received 6.84 percent of approximately 39 percent of the funds allocated to the local governments. He noted that the 43.86 percent that goes to the State of Nevada goes into the Fund for a Resilient Nevada, which can be requested by the City or region. MR. DOROCAK indicated that approximately \$11.4 million in settlements has been accepted with three separate approvals by the Council. To date, the City has received just under \$1.5 million of those funds due to some payouts being annualized over a series of years. He displayed a settlement payout calendar on the overhead. There are approximately two big defendants whom the State and external legal counsel are working on receiving settlements from.

MR. DOROCAK said NRS (Nevada Revised Statutes) 433 lists general categories, which are approved for the use of the funds, many of which pertain to substance abuse disorders, childhood issues, and housing and behavioral health. There are also some broad categories within NRS 433, which include educational and criminal justice programs and capital projects. Finally, MR. DOROCAK stated that some guidance has been received by the State through the Nevada Opioid Needs Assessment and Statewide Plan 2022. The plan provides specific examples of what would be good recommendations and programs to address the opioid addiction problem. There are over 30 pages of recommendations arising from data, prevention, treatment, and social determinants recommendations. In addition, there are seven broad goals with various examples of what can be done with those goals in terms of strategies, objectives, and activities. Lastly, there is an appendix within the document that lays out examples of that specificity.

MR. CERVANTES said staff had one idea to help assist with some of the operational costs with the Recuperative Care Center and the Courtyard. He noted there is a shortfall starting in Fiscal Year 2025; however, right now everything is good until that year, and staff will follow the Council's direction.

MAYOR GOODMAN asked about restrictions placed on pharmaceuticals. MR. DOROCAK said the settlement does not include any admission of liability or fault; however, he opined that the issue is not gone, and the federal

and state governments are more acutely aware of the issue and are making efforts to keep an eye on those types of companies. The Mayor also asked how the distribution of funds is ordered. MR. DOROCAC said the formula was calculated using the economic damages that were projected by an expert of external legal counsel. He noted that the State and Counties deal more with hospitals and family services issues, which is why they have a larger share of the formula. MAYOR GOODMAN asked if there is a rubric of what was suggested for the use of the funds. MR. CERVANTES said there is no solid plan, and staff was awaiting direction, stating there have been conversations about a regional approach. He noted the City had some capital that could be allocated whenever direction is given by the Council.

COUNCILWOMAN BRUNE asked if there has been a needs assessment or gap analysis done for the city or as a region to identify needs or gaps in service. MR. CERVANTES replied no, stating that the information was reviewed individually. He indicated that some needs were identified in the specialty courts, and he believed a regional analysis would be beneficial to all.

COUNCILMAN KNUDSEN said there are a number of organizations that are engaged with substance abuse challenges. He thought it would be helpful if a process was created for them to submit bullet points or a request for funding. As the City evolves in its thinking around the use of the funds, he requested consideration of how outside organizations could tap into what is available. MAYOR GOODMAN asked if CCSD (Clark County School District) received a separate allotment. MR. DOROCAC did not believe so but offered to verify.

COUNCILWOMAN DIAZ said Workforce Connections has evolved to ensure that those organizations being allocated funds in the community are the best to do so. She encouraged shifting toward metric-driven results and believed the City must be intentional and cautious with its resources. She asked if some of the funding could be used for the City's specialty court programming. MR. CERVANTES confirmed and agreed that the City should take a regional approach and must identify the needs of the community. He acknowledged that the City is required to report metrics to the treasury and would continue to do so.

COUNCILWOMAN ALLEN-PALESKE echoed the sentiments of a regional approach and liked prioritizing the specialty courts.

COUNCILWOMAN SEAMAN asked if the Council would vote on where funding will be allocated, to which MR. CERVANTES confirmed, noting that before there is any expenditure, staff will bring recommendations back before the Council for approval. COUNCILWOMAN BRUNE offered to help with research.

Motion made by Nancy Brune to Accept the report

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

For-Nancy Brune, Victoria Seaman, Cedric Crear, Carolyn Goodman, Brian Knudsen, Olivia Diaz, Francis Allen-Palenske;