

STAFF REPORT

Date: June 14, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Resolution establishing the One Nevada Opioid Recoveries Special Revenue Fund per Nevada Revised Statutes 354.612; and approval of the Fund Policy for the One Nevada Opioid Recoveries Special Revenue Fund.

From: Vicki Van Buren, Director of Finance

Department: Finance

Summary:

The City of Reno has entered into an agreement with One Nevada Opioid Recoveries to receive funds that are restricted for specific use related to the opioid epidemic. Staff recommends adoption of the attached resolution establishing the One Nevada Opioid Recoveries Special Revenue Fund per NRS §354.612 and approval of the fund policy for the One Nevada Opioid Recoveries Special Revenue Fund (Opioid Recoveries Fund).

Alignment with Strategic Plan:

Fiscal Sustainability

Previous Council Action:

There is no recent Council action relevant to this item.

Background:

The opioid epidemic has had a significant impact on the State of Nevada, resulting in increased healthcare costs, criminal justice expenses, and loss of life. The State of Nevada has filed lawsuits against various opioid manufacturers, distributors, and pharmaceutical companies for their role in the opioid epidemic. As part of these settlements, the City of Reno will receive a substantial amount of revenues which are restricted to specific uses outlined in the Distributor Settlement Agreement signed by the City of Reno in Fiscal Year 2022.

In response to this, the finance department has proposed a new special revenue fund called the One Nevada Opioid Recoveries Special Revenue Fund which will be a dedicated fund for all

revenues received from opioid manufacturers, distributors, and pharmaceutical companies to be recorded and tracked. This fund will allow opioid recovery money to be tracked and spent on allowed expenditures.

Discussion:

Opioid Money, which refers to funds that have been allocated to address the opioid epidemic in the United States, can generally be spent on a variety of initiatives aimed at preventing opioid addiction, treating individuals who are struggling with addiction, and supporting communities affected by the epidemic. Some examples of initiatives that opioid money can be spent on include:

1. Prevention programs: This can include educational programs aimed at increasing awareness of the dangers of opioids and how to avoid addiction, as well as efforts to limit the over-prescription of opioids by doctors.
2. Treatment programs: This can include programs that provide access to medication-assisted treatment (MAT) for opioid addiction, as well as behavioral therapy and counseling.
3. Recovery support services: This can include support groups, peer recovery coaching, and other services aimed at helping individuals who are in recovery from opioid addiction.
4. Research: This can include funding for research into new treatments for opioid addiction, as well as research into the causes and impacts of the opioid epidemic.
5. Community support: This can include funding for community organizations that provide services and support to individuals and families affected by the opioid epidemic, as well as efforts to address related issues such as homelessness, mental health, and poverty.
6. The creation of a special revenue fund is necessary to manage the revenue received from opioid settlements. This fund will ensure that the money is properly accounted for and used for its intended purpose, which is to address the negative impacts of the opioid epidemic in the State of Nevada. The special revenue fund will also provide transparency and accountability to the public by ensuring that the revenue is used for the intended purpose.

The revenue from the settlements will be deposited into the special revenue fund, and expenditures will be made only for activities related to addressing the negative impacts of the opioid epidemic in the State of Nevada. These activities may include but are not limited to, treatment and recovery services, public education campaigns, and law enforcement efforts.

Financial Implications:

The adoption of this resolution and fund policy will not have a financial impact for the City of Reno.

Legal Implications:

Per NRS 354.612, the Department of Taxation requires resolutions be adopted for all new funds established by the City of Reno.

Recommendation:

Staff recommends Council adopt the Resolution.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

- SRF - Opioid Recoveries Fund
- Exhibit E of Opioid Recoveries Fund - List of Remediation Uses
- One Nevada Opioid Fund Resolution
- Staff Presentation