NOTICE OF A REGULAR MEETING OF THE TOWN COUNCIL
OF THE TOWN OF CLARKDALE
TUESDAY, FEBRUARY 28, 2023 AT 3:00 PM

In Person: Clark Memorial Clubhouse, 19 N. Ninth St., Clarkdale AZ
OR
Join Zoom Meeting
https://us02web.zoom.us/j/2235608173
Meeting ID: 223 560 8173

Town of Clarkdale Vision

The Town of Clarkdale connects our unique history, proximity to the Verde River, and small-town charm to a future with a vibrant economy.
We cultivate an environment where residents and businesses can thrive; providing services and jobs for our residents and capitalizing upon tourism.
We sustainably enhance our infrastructure, support the arts and education, and develop recreational opportunities to create a bright future for our entire community.

PURSUANT TO A.R.S. §38-431.02, NOTICE IS HEREBY GIVEN to the members of the Common Council of the Town of Clarkdale and to the general public that the Town of Clarkdale Town Council will hold a Regular Meeting open to the public on Tuesday, February 28, 2023, at 3:00 PM in a hybrid meeting via Zoom Video Conference or in person at 19 N. Ninth Street, Clarkdale, Arizona, Clark Memorial Clubhouse, Men's Lounge. Members of the Clarkdale Common Council will attend either in person or by telephone, video or internet conferencing. Pursuant to A.R.S. §38-431.03, the Council may vote to recess the meeting and move into Executive Session on any item, which will be held immediately after the vote and will not be open to the public. Upon completion of Executive Session, the Council may resume the meeting, open to the public, to address the remaining items on the agenda.
Supporting documentation and staff reports furnished to the Council with this agenda are available for review on the Town website at www.clarkdale.az.gov and the Town Clerk's Office.

ALL ITEMS ON THIS AGENDA ARE SCHEDULED FOR DISCUSSION AND POSSIBLE ACTION, UNLESS OTHERWISE NOTED.

1. **CALL TO ORDER**

2. **ROLL CALL**

3. **PUBLIC COMMENT**
   The Town Council invites the public to provide comments at this time. Members of the Town Council may not discuss items that are not specifically identified on the agenda. Therefore,

pursuant to A.R.S. §38-431.01, action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date. Persons interested in making comments on a specific agenda item are asked to complete a brief form and submit it to the Clerk or liaison during the meeting. Each Speaker is asked to limit their comments to five minutes.

4. REPORTS

Departmental Reports (submitted with Council packet) –
Summary of written Reports from Town Departments and Other Agencies:

- Building Permit Report
- Magistrate Court Report
- Water and Wastewater Report
- Police Department Report
- CAT/LYNX Transit Report
- Verde Valley Humane Society

5. INTRODUCTIONS

A. Salt River Material Group Chief Executive Officer
Introduction of Ruben Guerrero, Jr., Chief Executive Officer for Salt River Materials Group.

6. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the Town Council at a work session or during New Business discussion. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

A. Approval of Minutes of the Common Council
Consider and act upon the draft minutes from the regular meeting held on Feb. 14, 2023.

B. Resolution #1689 - Legislative Response Policy
Consider and act upon Resolution #1689 to adopt the Legislative Response Policy for the Town of Clarkdale.

C. Opioid Settlement Funds
Consider and act upon a request to sign on to receive funds from five new opioid settlement agreements that could bring an additional $434 million into Arizona to address the opioid crisis.

D. Resolution #1690 - Making Appointments to Various Regional Organizations and Committees
Consider and act upon Resolution #1690, making appointments to various regional organizations and committees.

7. NEW BUSINESS

A. Proclamation - Teen Dating Violence Awareness
Discuss, consider and act upon a Proclamation presented by Tracy McConnell,

recognizing February as National Teen Dating Violence Awareness and Prevention Month.

B. Proclamation - National Vietnam War Veterans Day

Discuss, consider and act upon a Proclamation declaring March 29, 2023, as National Vietnam War Veterans Day.

C. Contractual Agreement for Collaboration in Crisis Mobile Services with Spectrum Healthcare Group, Inc.

Discuss, consider and act upon a request by staff to approve the Contractual Agreement for 911 deflection services with Spectrum Healthcare.

8. FUTURE AGENDA ITEMS

Town Council may propose items to be placed on a future agenda. This item is for discussion only.

9. ADJOURNMENT

Values

Values are the guiding principles that provide an organization with purpose and direction. The Town of Clarkdale's organizational values are:

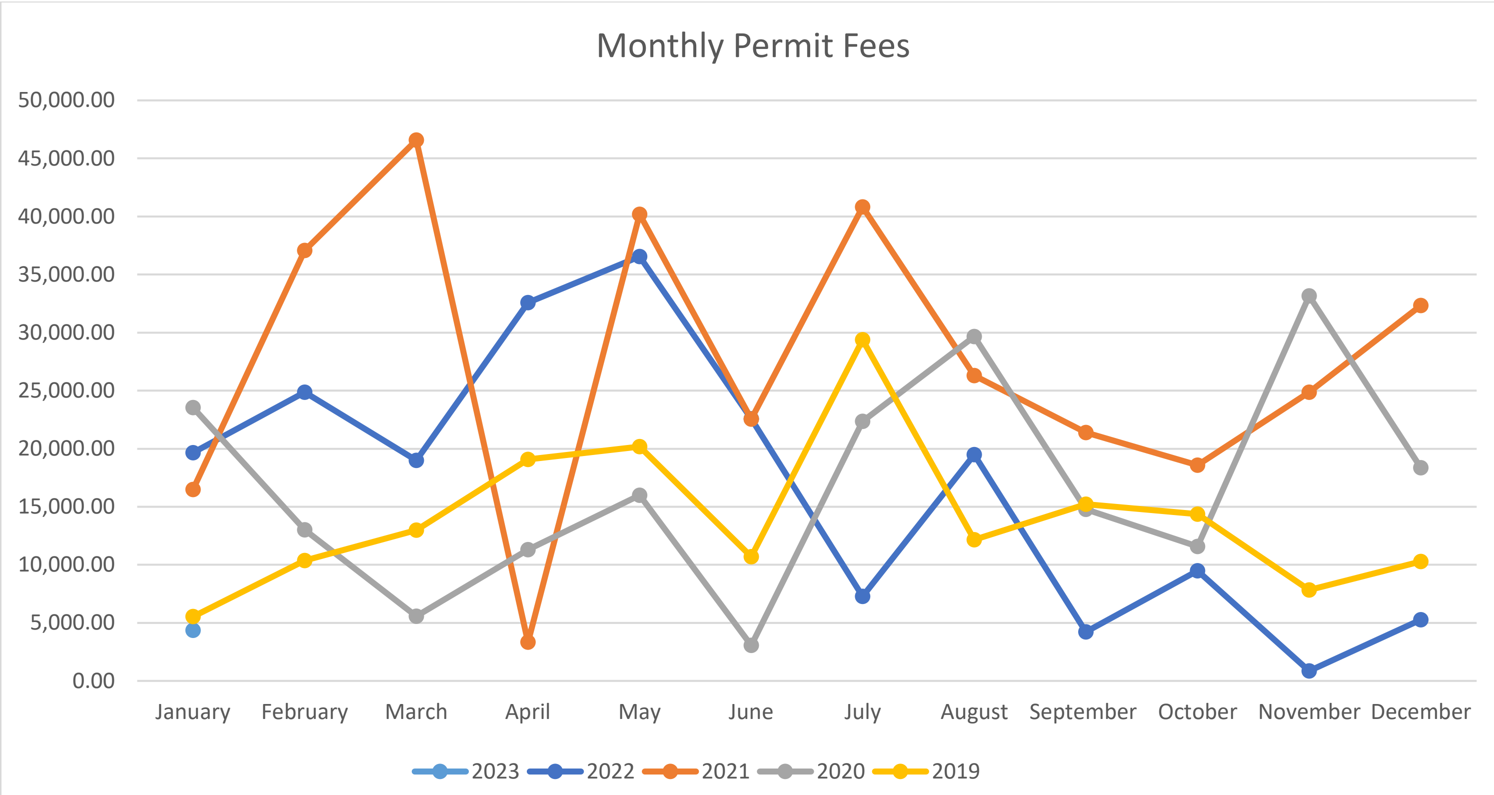
COPPER
Customer focused
Open, transparent and equitable
Preserving our history, charm, and environment
Planning for a sustainable future
Economic and social resiliency
Resourceful and innovative

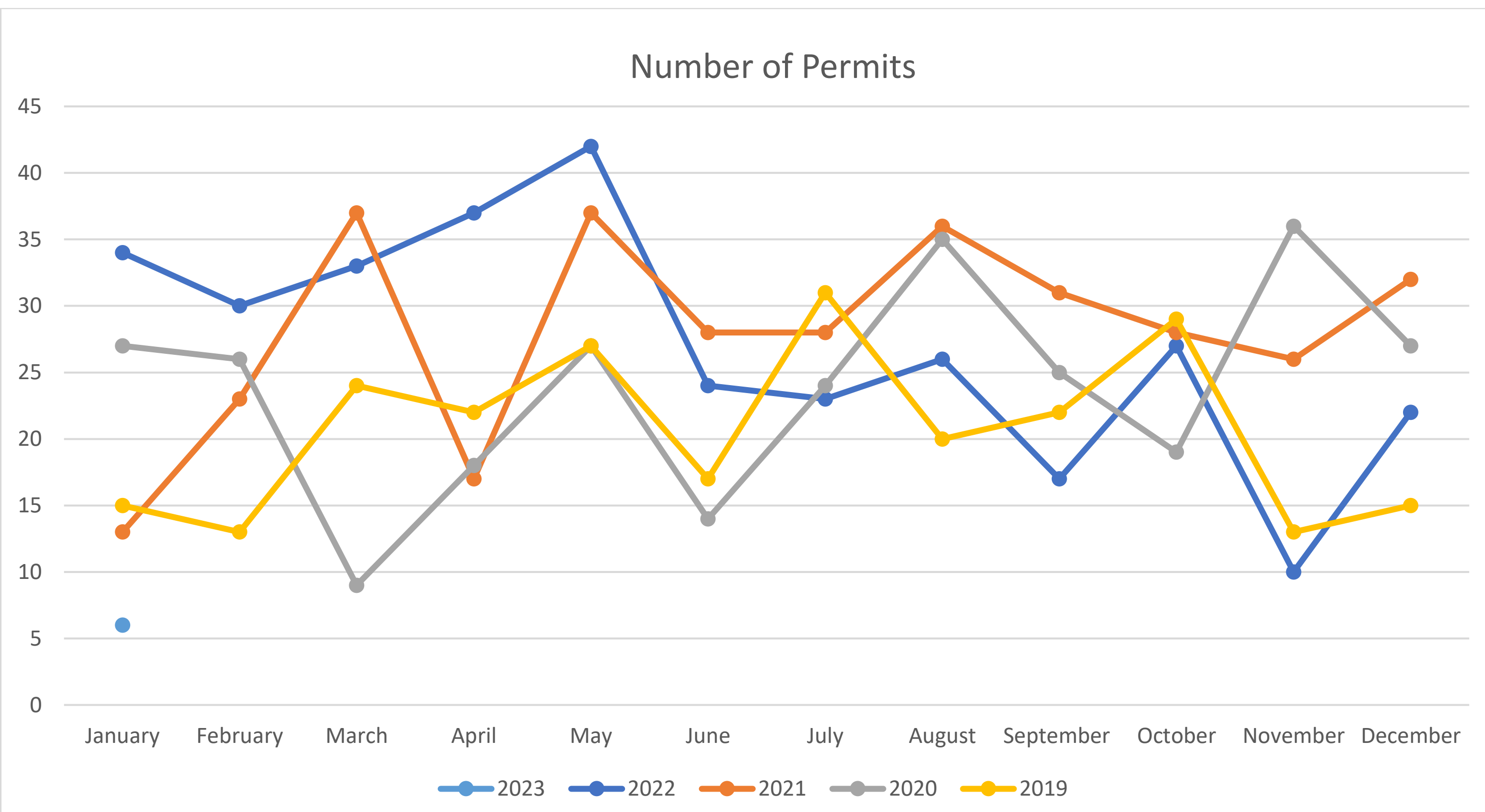
Mission

The Town of Clarkdale serves the community by providing amenities, infrastructure, services, and public safety to enhance quality of life. We are stewards of our history while we sustainably and resiliently plan for the future with an emphasis on community engagement and transparency.

Persons with a disability may request reasonable accommodations by contacting the Town Hall at (928) 639-2400 (TTY: 1-800-367-8939) at least 72 hours in advance of the meeting.

Community Development
January 2023





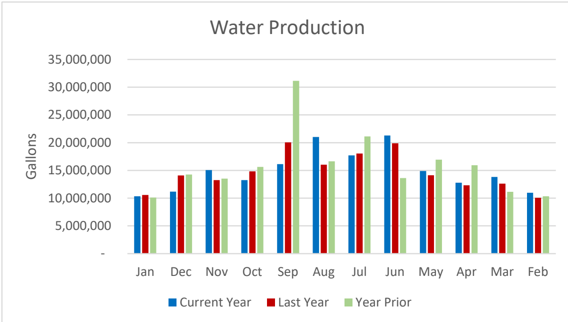
Clarkdale Magistrate Court

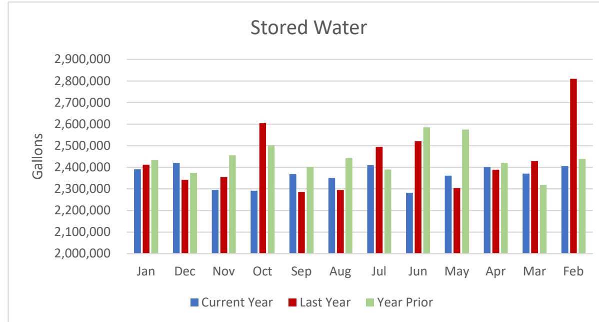
January 2022-2023 Comparative Stats

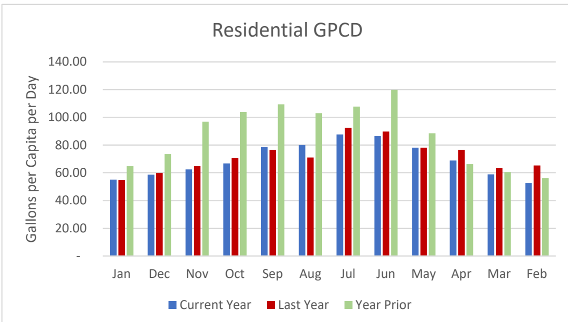
	January 2022	January 2023
Criminal Cases	4	2
Civil Traffic Cases	10	18
Total Cases	14	20
Revenue to Town	$4,484	$4,877

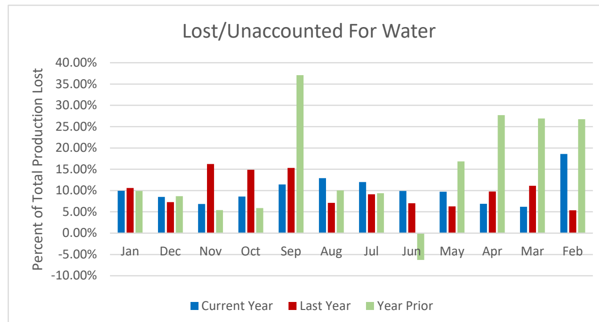
Public Works Monthly Report

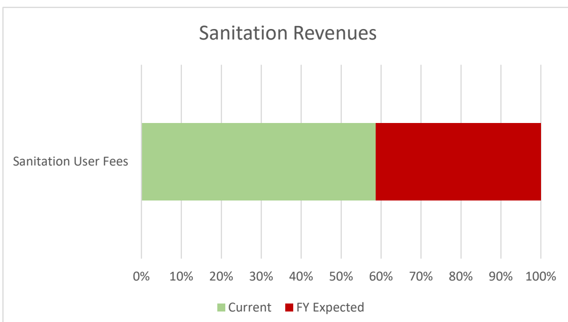
2/13/2023

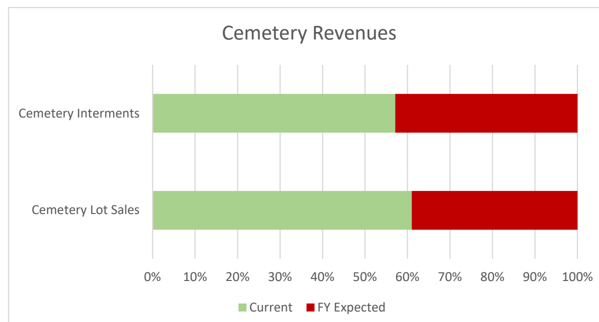


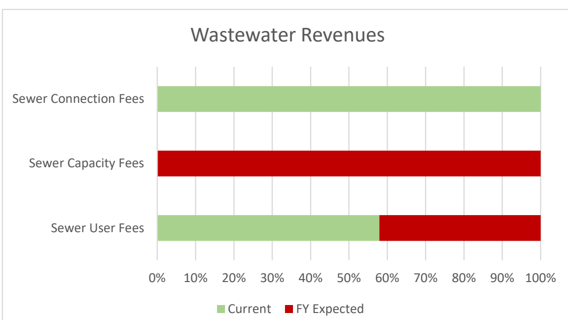


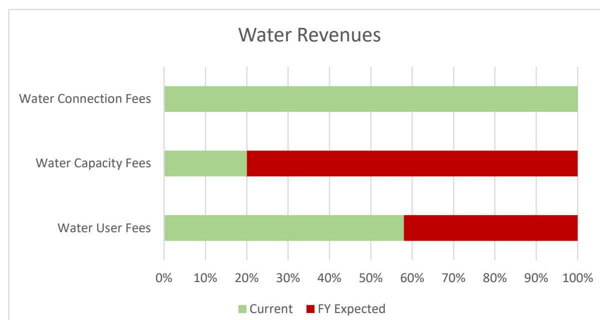


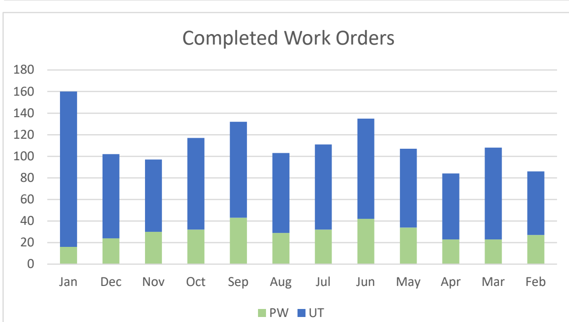










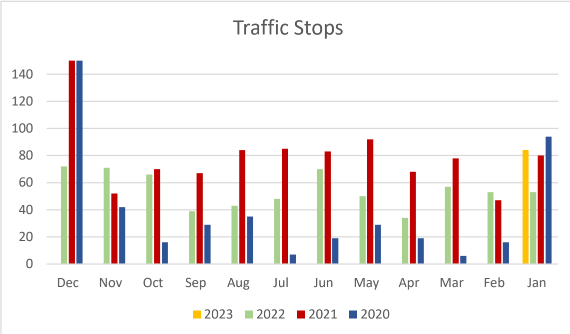


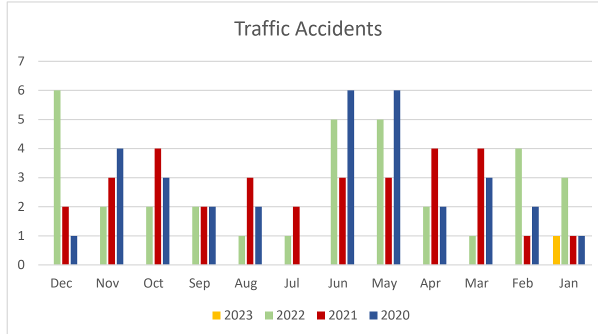
59% of FY completed as of 1/31/2023

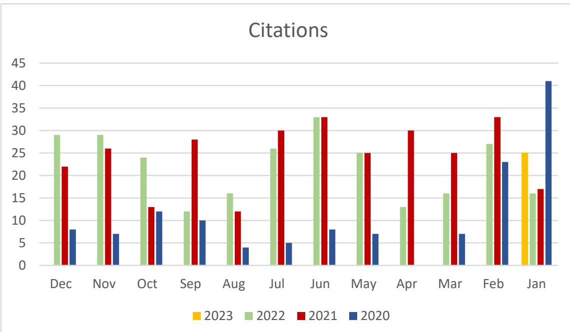
Water and Sewer Connection Expected Revenue met for FY 22/23.

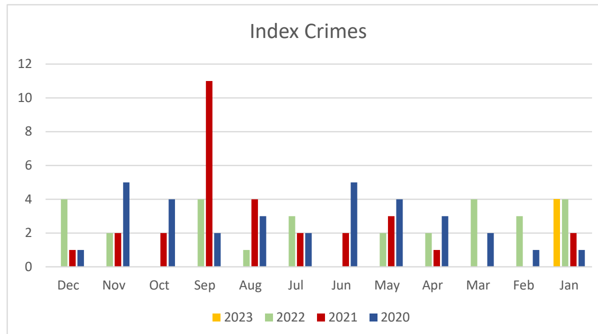
UT Service Orders increase due to Meter Leak Detect program started.

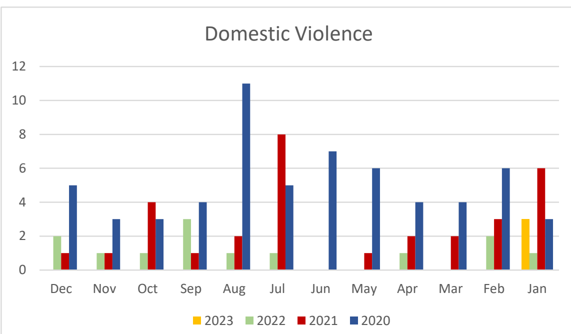
Police Department January Monthly Report

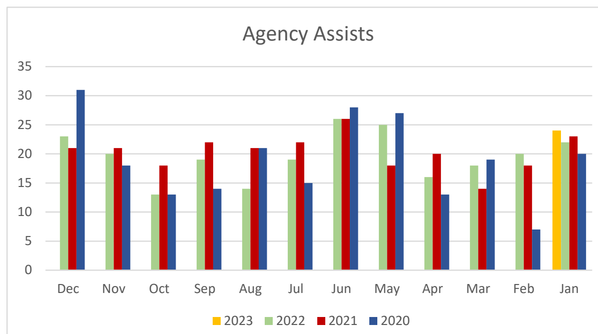


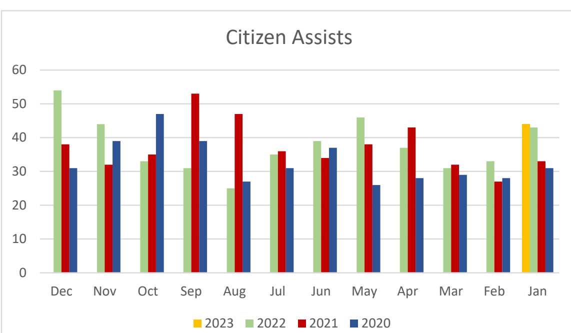












Comments:
There were four index crimes in January: three thefts and one assault. The thefts were a stolen bicycle (recovered), credit cards stolen from a vehicle (offender arrested) and a shoplifting (offender arrested). The assault was physical contact with an officer in the course of arresting a suspect.

Cottonwood Area Transit
Weekly Ridership Reports

Service for week ending 1/14/2023	Daily Average 1	1/8/2023 Sunday	1/9/2023 Monday	1/10/2023 Tuesday	1/11/2023 Wednesday	1/12/2023 Thursday	1/13/2023 Friday	1/14/2023 Saturday	Weekly Total
Weekdays									
ADA/Paratransit	46.2		37	64	31	63	36		231
Blue Line	15.2		15	10	17	20	14		76
Yellow Line	64.2		62	63	43	78	75		321
Red Line - Without Jerome	53.6		35	68	51	36	78		268
Red Line - Jerome	3		0	0	0	15	0		15
Green Line	90.6		94	97	82	86	94		453
CAT Connect	1.6	0	3	3	0	1	1	0	8
Shuttle 1	47	34	40	35	37	23	28	38	235
Shuttle 2	64.6	39	29	54	46	45	70	40	323
Shuttle 3	52.6	40	49	36	30	33	42	33	263
Shuttle 4	41.4	24	34	39	26	25	28	31	207
	Totals	137	398	469	363	425	466	142	2400

Cottonwood Area Transit
Weekly Ridership Reports

Service for week ending 1/21/2023	Daily Average 1	1/15/2023 Sunday	1/16/2023 Monday	1/17/2023 Tuesday	1/18/2023 Wednesday	1/19/2023 Thursday	1/20/2023 Friday	1/21/2023 Saturday	Weekly Total
Weekdays									
ADA/Paratransit	46.8		28	43	40	70	53		234
Blue Line	11.2		9	7	13	14	13		56
Yellow Line	60.6		55	75	63	51	59		303
Red Line - Without Jerome	54.2		37	49	63	50	72		271
Red Line - Jerome	2.2		0	0	0	11	0		11
Green Line	89.4		67	102	97	84	97		447
CAT Connect	1.6	0	4	1	0	3	0	0	8
Shuttle 1	45	28	37	29	41	39	22	29	225
Shuttle 2	56	34	41	39	44	55	18	49	280
Shuttle 3	51.6	26	32	34	45	38	29	54	258
Shuttle 4	44	31	39	30	27	28	22	43	220
	Totals	119	349	409	433	443	385	175	2313

Cottonwood Area Transit
Weekly Ridership Reports

Service for week ending 2/4/2023	Daily Average 1	1/29/2023 Sunday	1/30/2023 Monday	1/31/2023 Tuesday	2/1/2023 Wednesday	2/2/2023 Thursday	2/3/2023 Friday	2/4/2023 Saturday	Weekly Total
Weekdays									
ADA/Paratransit	42.8		35	45	39	49	46		214
Blue Line	15.6		13	15	18	20	12		78
Yellow Line	71		43	60	99	49	104		355
Red Line - Without Jerome	45.2		39	54	47	33	53		226
Red Line - Jerome	2.6		0	0	0	13	0		13
Green Line	96		94	97	102	78	109		480
CAT Connect	3.8	0	5	3	3	1	7	0	19
Shuttle 1	58	42	48	32	42	39	49	38	290
Shuttle 2	71	43	48	44	47	52	68	53	355
Shuttle 3	61	36	47	33	40	49	51	49	305
Shuttle 4	51.2	29	40	41	29	32	44	41	256
	Totals	150	412	424	466	415	543	181	2591

Cottonwood Area Transit
Weekly Ridership Reports

Service for week ending 2/11/2023	Daily Average 1	2/5/2023 Sunday	2/6/2023 Monday	2/7/2023 Tuesday	2/8/2023 Wednesday	2/9/2023 Thursday	2/10/2023 Friday	2/11/2023 Saturday	Weekly Total
Weekdays									
ADA/Paratransit	50.2		46	45	53	49	58		251
Blue Line	16.4		14	14	17	15	22		82
Yellow Line	81.4		89	76	83	76	83		407
Red Line - Without Jerome	52.8		60	45	58	44	57		264
Red Line - Jerome	2.2		0	0	0	11	0		11
Green Line	103.6		97	76	104	121	120		518
CAT Connect	3		1	5	4	4	1		15
Shuttle 1	52.8	41	39	38	38	34	43	31	264
Shuttle 2	76.6	46	67	56	64	54	48	48	383
Shuttle 3	78.6	43	92	50	60	50	60	38	393
Shuttle 4	57.2	34	39	35	46	44	44	44	286
	Totals	164	544	440	527	502	536	161	2874

Verde Valley Humane Society						
1520 W. Mingus Avenue						
Cottonwood, AZ. 86326						
928-634-7387						
					1/4/2022	
Clarkdale Animal Intake Report for Septem		January 2023				
Date	Type	Species	ID #	Disposition Type	Date	
1/8/2023	Stray-ACO	Canine	D49705			
1/8/2023	Stray-Public Drop Off	Canine	D49706			
1/8/2023	Stray-ACO	Canine	D49704	Reclaimed	1/8/2023	
1/18/2023	Stray-Public Drop Off	Feline	C49731			
1/19/2023	Stray-ACO	Canine	D49732	Reclaimed	1/19/2023	
1/20/2023	Stray-Public Drop Off	Canine	D49736			
1/22/2023	Stray-Public Drop Off	Canine	D49740			
1/22/2023	Stray-Public Drop Off	Canine	D49739			
1/22/2023	Stray-Public Drop Off	Canine	D49741			
1/22/2023	Stray-Public Drop Off	Canine	D49742			
1/22/2023	Stray-Public Drop Off	Canine	D49744			
1/22/2023	Stray-Public Drop Off	Canine	D49743			
1/31/2023	Stray-ACO	Canine	D49768			
	Total Intake: 13					

Staff Report

Item Number: 5.A.

Agenda Item: **Salt River Material Group Chief Executive Officer**
Introduction of Ruben Guerrero, Jr., Chief Executive Officer for Salt River Materials Group.

Staff Contact: Charity Brooks, Town Clerk

Meeting Date: February 28, 2023

Strategic Goal: Not applicable.

Background: Ruben is an enrolled member of the Community and since July 2013 has been the Director of Corporate Affairs for SRMG. He brings nearly 20 years of knowledge of public policy and government relations. His previous work experience includes Director of Congressional & Legislative Affairs for the SRPMIC. He also served as a Congressional Aide in the office of U.S. Representative Raul M. Grijalva and was previously a Morris K. Udall Intern in Washington, D.C.

He was appointed to the Board of Directors of Salt River Development Company (DEVCO), an asset management and commercial development company and enterprise of SRPMIC in Aug. 2011, and elected Chairman of the Board in Jan. 2012.

During his tenure as Director of Corporate Affairs at SRMG, Ruben gained executive experience in the cement, pozzolan and aggregates industries. He worked closely with former CEO, Roger Smith, Jr., and will continue to hold SRMG's Value Statement as the threshold from which the company conducts business, "Profitability the Right Way…Integrity, Accountability, Excellence."

"I am so humbled to be appointed as the CEO of Salt River Materials Group. For the last nine years, I gained knowledge for this opportunity from my mentor, Roger Smith, Jr., who taught me the value of hard work, what it means to be a leader and the importance of cultivating relationships with not only our stakeholders but with the exceptional people that work at SRMG. As a member of the Community, I hope to live up to those values and make Roger and my community proud," said Ruben Guerrero, Jr., CEO.

Budget Impact: No budget impact.

Recommendation: Introduction only. No recommendation.

Staff Report

Item Number: 6.A.

Agenda Item: **Approval of Minutes of the Common Council**
Consider and act upon the draft minutes from the regular meeting held on Feb. 14, 2023.

Staff Contact: Charity Brooks, Town Clerk

Meeting Date: February 28, 2023

Strategic Goal: Not applicable.

Background: Review of the draft minutes from the regular meeting held on Feb. 14, 2023.

Budget Impact: No budget impact.

Recommendation: Staff recommends approval of the draft minutes from the regular meeting held on Feb. 14, 2023.

MINUTES OF A REGULAR MEETING OF THE TOWN COUNCIL
OF THE TOWN OF CLARKDALE
TUESDAY, FEBRUARY 14, 2023 AT 6:00 PM

Members Present: Mayor Prud'homme-Bauer, Vice Mayor Debbie Hunseder, and Council Members, Lisa O'Neill, Marney Babbitt-Pierce and Laura Jones.

Other Municipal Officials Present: Charity Brooks, Town Clerk; Randy Taylor, Police Chief; Julie Goucher, Finance Director; Joni Westcott, Parks and Recreation Manager; Randi Stephens, Human Resources Manager; Chell Smart, Public Information Officer; Virginia Smith, Administrative Manager; Terry Norman, Public Works Superintendent.

Zoom: Susan Guthrie, Town Manager; Ruth Mayday, Community Development Director and 4 members of the public.

Audience: Approximately twelve members of the public were present.

1. **CALL TO ORDER –** *Mayor Prud'homme-Bauer called the meeting to order at 6 p.m.*

2. **ROLL CALL–** *All members present.*

3. **PUBLIC COMMENT–** *No public comment.*

4. **REPORTS**

   A. Current Events – (*submitted electronically***)**
   A brief summary of current events. The Council will not propose, discuss, deliberate, or take legal action on any matter in the summary. Reports submitted electronically:
   - Mayor's Report
   - Vice-Mayor's Report
   - Councilmembers' Reports

   B. Organizational Reports – (*submitted electronically***)**
   Reports regarding regional organizations submitted electronically:
   - CAT – Cottonwood Area Transit – *No meeting.*
   - VVTPO – Verde Valley Transportation Planning Organization – *No meeting.*
   - NACOG - Northern Arizona Council of Governments – *Meeting will be held next week and will distribute minutes and materials when received.*
   - NAMWUA - Northern Arizona Municipal Water Users Association – *Camp Verde is doing a*

water master plan and Flagstaff is looking at water re-use.

- VVREO – LRSPC - Verde Valley Regional Economic Organization's Long Range Strategic Plan – *No meeting.*
- TPAC – Transportation Policy Advisory Council – *Meeting held. Will share minutes when available.*
- VFLC – Verde Front Leadership Council – *No meeting.*
- Greater AZ Mayor's Organizational Report – *No meeting.*

C. Finance Report (*submitted with Council packet*)
List of specific expenditures made by the Town during the previous month and a monthly summary report.

D. Special Event Liquor License (*submitted with Council packet*)
A Special Event Liquor License for the Clarkdale Car Show has been approved by the Clarkdale Police Department and forwarded to the Arizona Department of Liquor for final approval and issuance of the license.

5. CONSENT AGENDA

Items on the consent agenda are of a routine nature or have been previously studied by the Town Council at a work session or during New Business discussion. They are intended to be acted upon in one motion. Council members may pull items from consent if they would like them considered separately.

A. Approval of Minutes
Consider and act upon the draft minutes from the regular meeting held on Jan. 24, 2023.

B. Disposal of Surplus or Obsolete Town Personal Property
Consider and act upon the option to donate, sell or dispose of surplus or obsolete Town personal property.

Action: Approve consent agenda items A and B as written:
Motion: Council Member Babbitt-Pierce
Second: Council Member O'Neill
Vote: Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

6. NEW BUSINESS

A. Parks and Recreation Trails Master Plan

Discuss, consider and act upon the selection of a Parks and Recreation Trails Master Plan consultant.

Parks and Recreation Manager Joni Westcott gave a presentation highlighting the qualifications of the chosen consultant, Logan Simpson Design.

Public Comment:

<u>Michael Lindner</u> of Clarkdale states that he appreciates the work and enthusiasm the team has done for the trails. He also cautions Town Council and the public to be careful with the terminology of 'need', reminding them that the Trails Master Plan is a 'want' and not a 'need'. Mr. Lindner states there are other priorities, such as roads and sidewalks, that would better benefit from the $75K being spent on the trails master plan.

Council expresses appreciation for Mr. Lindner's comments.

<u>Action: Approve the Trails Master Plan deliverables and authorize the Town Manger to move forward with executing agreements:</u>
<u>Motion:</u> Council Member Babbitt-Pierce
<u>Second</u>: Council Member O'Neill
<u>Vote:</u> Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

B. Historic Bandstand Proposal

Discuss, consider and act upon the proposal submitted by G & G Construction for the rehabilitation of the Historic Bandstand.

Community Development Director Ruth Mayday provided Council with information regarding the original bid and the value engineered bid, explaining that both bids are well above the approved budget for this project.

Public Comment:

<u>Ellen Taylor</u> of Clarkdale believes the bid exceeds budget based on her contracting experience. Ms. Taylor asks that Council consider option number five when making their decision.

<u>Michael Lindner</u> of Clarkdale agrees with Ms. Taylor. He believes the cost of expenditures is

too high and the scope of work can be reduced. Mr. Linder supports option number five.

<u>Drake Meinke</u> states that based on his experience, it will always cost more when you try to piece-meal a project together and suggests that the Town look for other ideas.

<u>Terry Gibson</u> of Clarkdale (via Zoom) states that he goes for option five.

After Council discussion, they agree that the original proposal and the value engineered bid exceed the original budget and cannot, in good faith, approve this item.

Council Member O'Neill clarifies with Community Development Director Ruth Mayday, that if they went with option four, the structure could be completely replaced, if necessary.

Town Manager Susan Guthrie adds that the Town still has other options within the State RFP system to seek funding for the repairs.

<u>Action: Move to reject the proposals and direct staff to pursue other avenues of procurement:</u>
<u>Motion:</u> Council Member O'Neill
<u>Second</u>: Council Member O'Neill
<u>Vote:</u> Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

C. Professional Services Contract to provide Town Engineer Services

Discuss, consider and act upon a Professional Services Contract with Ardurra to provide Town Engineer Services.
Community Development Director Ruth Mayday announced that Art Beckwith with Ardurra has been chosen to provide the Town with professional engineering services.
Mr. Beckwith was present and provided the Council with his company's background of services.

<u>Action: Approve Ardurra to provide Town Engineer Services for the Town of Clarkdale and direct the Town Manager to enter into a contract for services:</u>
<u>Motion:</u> Vice Mayor Hunseder
<u>Second</u>: Council Member Babbitt-Pierce
<u>Vote:</u> Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

D. Ratification of an Emergency Expenditure for immediate repairs to Broadway Road.

Discuss, consider and act upon ratification of an emergency expenditure in the amount of $85,138 for immediate repairs to Broadway Road.
Public Works Superintendent Terry Norman provided the Council with information regarding the urgency of the emergency.
Town Manager Susan Guthrie stated that repairs to Broadway are on the Town's CIP project list and further work will be scheduled to prevent this type of emergency.

Public Comment:
<u>Michael Lindner</u> of Clarkdale suspects the erosion issue began on the Cottonwood side, but also noticed the issue on the Clarkdale side as early as 2018. He states the Town cannot allow things to get to this state before taking action.

Mayor Prud'homme-Bauer and Town Manager Susan Guthrie explain that further repairs and improvements are scheduled in the Town's CIP and work will move forward with the new Town Engineer.

<u>Action: Approve the ratification of an emergency expenditure in the amount of $85,138 for immediate repairs to Broadway Road:</u>
<u>Motion:</u> Council Member Babbitt-Pierce
<u>Second</u>: Vice Mayor Hunseder
<u>Vote:</u> Approved 5-0

Voting Member	Aye/Nay
Mayor Robyn Prud'homme-Bauer	Aye
Vice Mayor Debbie Hunseder	Aye
Council Member Lisa O'Neill	Aye
Council Member Marney Babbitt-Pierce	Aye
Council Member Laura Jones	Aye

E. **Town of Clarkdale Representation at Various Regional Organizations and Committees**
   Discuss, consider and act upon appointing Town of Clarkdale representatives to serve on or attend various regional organizations and committees.
   Discussion only on this item. A resolution will be brought before Council at the meeting on Feb. 28, 2023, to approve the appointments.

7. **FUTURE AGENDA ITEMS**
   Town Council did not propose items to be placed on a future agenda.

8. **ADJOURNMENT -** *Mayor Prud'homme-Bauer adjourned the meeting without objection at 7:44 p.m.*

APPROVED: ATTESTED/SUBMITTED:

______________________________ ______________________________

Robyn Prud'homme-Bauer, Mayor Charity Brooks, Town Clerk

<u>CERTIFICATION AND ATTESTATION</u>

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Town Council of the Town of Clarkdale, Arizona held on the 14th day of February 2023. I further certify that meeting was duly called and held and that a quorum was present.

Date approved by Town Council: <u>Feb. 28, 2023</u>

____

Charity Brooks, Town Clerk

Staff Report

Item Number: 6.B.

Agenda Item: **Resolution #1689 - Legislative Response Policy**
Consider and act upon Resolution #1689 to adopt the Legislative Response Policy for the Town of Clarkdale.

Staff Contact: Charity Brooks, Town Clerk

Meeting Date: February 28, 2023

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal:

- Goal Area 5 - Plan for the maintenance and growth of quality infrastructure that is sustainable and resilient.

Background: The Town of Clarkdale has received several requests to respond to or support measures taken up by the League of Arizona Cities and Towns. Because the turn-around time for a response has not been sufficient for Town staff to schedule the item for a Council agenda, Resolution #1689 has been drafted to adopt the Legislative Response Policy for the Town of Clarkdale.

The suggested priorities, listed on the Resolution, include the preservation of shared revenues, opposition to unfunded mandates, protection of local authority, and maintenance and support of infrastructure. The Council will be provided a list of bills being considered in State Legislature at the beginning of each year and determine which one the Town of Clarkdale will prioritize for support or opposition.

Budget Impact: No budget impact.

Recommendation: Staff recommends that Council approve Resolution #1689 authorizing the Legislative Response Policy.

RESOLUTION # 1689

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL FOR THE TOWN OF CLARKDALE, ARIZONA, ADOPTING THE LEGISLATIVE RESPONSE POLICY FOR THE TOWN OF CLARKDLE, ARIZONA.

WHEREAS, cities and towns in Arizona are home to nearly 80% of the state's residents and more than 90% of the state's business activity. They are the level of government and most accessible and responsive to the people they serve. They provide the majority of first-responder services i.e., police and fire, and are national leaders in business development, government efficiency and quality-of-life amenities.

WHEREAS, the following priorities were adopted from the League of Arizona Cities and Towns Municipal Policy statement. The League supports and respects the role of municipal government and opposes measures that undermine them. The priorities identified by staff for Council approval follow.

WHEREAS, the PRIORITIES for the Common Council are as follows:

A. <u>Preserve Shared Revenues</u> – The Town's budget includes revenues from several State sources, most importantly, "shared revenues" from state income, sales, and vehicle license taxes. State-shared revenue makes up approximately one-third of the Town's general fund revenue, helping pay for critical services provided by police, parks and other necessities and amenities. Shared revenues are a critical component of the Town's general fund budget. Staff recommends the Town oppose any reduction of shared revenues yet support legislation that will maintain local control; insure a sufficient level of funding from state shared revenue and state imposed taxes to maintain and grow our local services.
B. <u>Oppose Unfunded Mandates</u> – Staff recommends the Town oppose state legislative efforts to shift new responsibilities to the Town without providing accompanying funds.
C. <u>Protect Local Authority</u> – The Town Code empowers Clarkdale residents to determine the structure and authority of the local government. Staff recommends the Town works to protect the ability of the Mayor and Council to set policy at the local level and oppose legislation the preempts local authority.
D. <u>Maintain and Support Infrastructure and Municipal Services</u> – Staff recommends the Town support the operations and development of critical infrastructure such as roads, water, sewer, communication networks, and other municipal services. The support of these measures will enhance the economic vitality of Clarkdale.

WHEREAS, the PROCEDURE for the Common Council are as follows:

A. Determine Clarkdale's priorities for support of or opposition to each bill based on listed priorities.
B. Authorize the Town Manager and/or the Mayor to comment on those bills affecting Clarkdale through a Request to Speak (RTS) when in committee and by email, letter

of support, or phone call to elected representatives when on the floor or to the Governor if it is passed by the Legislature and awaiting Governor's signature.

C. Deliver status reports to the Town Council.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL of the Town of Clarkdale on this 28th day of February 2023.

ATTEST:

______________________________	______________________________
Robyn Prud'homme-Bauer, Mayor	Charity Brooks, Town Clerk

Staff Report

Item Number: 6.C.

Agenda Item: **Opioid Settlement Funds**
Consider and act upon a request to sign on to receive funds from five new opioid settlement agreements that could bring an additional $434 million into Arizona to address the opioid crisis.

Staff Contact: Susan Guthrie, Town Manager

Meeting Date: February 28, 2023

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal:

- Goal Area 2 - Enhance the quality of life for residents, businesses and visitors to Clarkdale.

Background: Last year, every county, city and town signed on to the One Arizona Distribution of Opioid Settlement Funds Agreement, agreeing to the allocation of funds that will be received as a result of national opioid settlements. This agreement provides that the local governments that sign on to a settlement receive 56% of the funds distributed to Arizona from that settlement with 44% going to the State.

County, City and Town participation helped Arizona maximize the benefits to be received from the first two major global settlements. The first was with three opioid distributors: McKesson, AmerisourceBergen, and Cardinal. The second was with opioid manufacturer Janssen/Johnson & Johnson. These settlements will bring up to $549 million into Arizona for opioid treatment, prevention, and education. Payments to Arizona cities, towns and counties from these settlements began last year.

Recently, communication was received from Rubris Inc., the Implementation Administrator, announcing five new proposed national opioid settlements. Arizona has formally indicated its conditional approval of these settlements, which will bring an additional $434 million into Arizona to address the opioid crisis.

Settlement	AZ Share Remediation	44% State Share	56% Gross LG Share	Years of Payout
Teva	$85 million	$37.4 million	$47.6 million	13
Allergan	$50.7 million	$22.3 million	$28.4 million	7
Walmart	$63.7 million	$28 million	$35.7 million	6
CVS	$112.5 million	$49.5 million	$63 million	10
Walgreens	$122.3 million	$53.8 million	$68.5 million	15
TOTAL	**$434.2 million**	**$191 million**	**$243.2 million**	

The process for achieving final approval of these settlements is similar to the process for the earlier settlements. As before, cities, towns and counties must sign on to the new settlements to receive funds from them. The total amount of money Arizonans will receive is dependent on the number of local governments that sign on.

<u>Budget Impact:</u> No budget impact.

<u>Recommendation:</u> Staff recommends that Council agree to sign on to the five new opioid settlements to receive funds from them and authorize the Mayor to execute any necessary documents.

Frequently Asked Questions about the 2022 National Opioid Settlements with Teva, Allergan, Walmart, Walgreens, and CVS

[*Subject to ongoing corrections and updates*]

[*Executed Agreements Control*]

1. Which Defendants Have Executed National Opioid Settlements?

Since the Summer of 2021, nine Defendant families have executed National Opioid Settlements. First, in July 2021, J&J and Distributors McKesson, Cardinal Health, and AmerisourceBergen entered into National Opioids Settlements ("2021 National Settlement(s)"; details regarding the 2021 National Settlements, including a separate set of FAQs, can be found here: https://nationalopioidsettlement.com/distributor-janssen-faq/). More recently, between November and December of 2022, five additional Defendant families have entered into National Opioids Settlements ("2022 National Settlement(s)").[1] They are:

Settling Defendant	Date of Settlement Agreement	Link to Settlement Agreement
Teva	November 22, 2022	https://nationalopioidsettlement.com/wp-content/uploads/2022/12/Final-Teva-Global-Settlement-Agreement-and-Exhibits_12-20-22.pdf
Allergan	November 22, 2022	https://nationalopioidsettlement.com/wp-content/uploads/2022/12/Final-Allergan-Global-Agreement-and-Exhibits_12-20-22.pdf
Walmart	November 14, 2022	https://nationalopioidsettlement.com/wp-content/uploads/2022/12/Walmart-Settlement-Agreement-2022.12.02_FINAL.pdf
Walgreens	December 9, 2022	https://nationalopioidsettlement.com/wp-content/uploads/2022/12/Walgreens-Multistate-Agreement-and-Exhibits.pdf
CVS	December 9, 2022	https://nationalopioidsettlement.com/wp-content/uploads/2022/12/2022-12-09-CVS-Global-Settlement-Agreement-with-Exhibits.pdf

2. Which Entities Are Eligible to Participate in the 2022 National Settlements?

The 2022 National Settlements are "opt in" settlements that are open only to states, as well as state subdivisions (e.g., municipalities, counties, parishes, cities, towns, incorporated townships, villages, and boroughs) and certain special districts (e.g., school districts, fire

[1] The 2022 National Settlements define the specific entities entering into the respective agreements, as well as the "Released Entities."

districts, and hospital districts). Claims brought on behalf of private individuals and businesses (including private hospitals and private third-party payors) are **not** included and will not be released. Claims brought on behalf of Tribal Nations are also not included and will not be released through participation in these agreements, but Tribal Nations may be eligible to participate in separate settlements with these same defendants; more information on those separate agreements may be found here: https://www.tribalopioidsettlements.com/.

Each 2022 National Settlement has the same basic "two-phase" structure:

Phase I – Eligible States: With respect to each 2022 National Settlement, most states are eligible to participate. (For these purposes, Washington, D.C. and the five U.S. Territories[2] are treated as "states.") Certain states are not eligible to participate in certain of these settlements (e.g., due to prior settlements or litigation with a settling Defendant). Among the states eligible to participate in certain 2022 National Settlements, a small number have chosen not to participate in one or more of those settlements. Accordingly, for each of the 2022 National Settlements, the only states that may participate are those that are eligible and elected to do so. The following list sets forth, for each 2022 National Settlement, the eligible and ineligible states, as well as those eligible states that have chosen not to participate.

- **Teva Settlement:**
  - All states are eligible, **except** Florida, Louisiana, Oklahoma, Rhode Island, Texas, and West Virginia. Oklahoma subdivisions and special districts, however, **are** eligible to participate.
  - Nevada has chosen not to participate.

- **Allergan Settlement:**
  - All states are eligible, **except** Florida, Louisiana, New York, Rhode Island, and West Virginia.
  - Nevada has chosen not to participate.

- **Walmart Settlement:**
  - All states are eligible, **except** Alabama, Florida, New Mexico, and West Virginia.

- **Walgreens Settlement:**
  - All states are eligible, **except** Florida.
  - Michigan, Nevada, New Mexico, and West Virginia have chosen not to participate.

[2] American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands.

- **CVS Settlement:**
  - All states are eligible, **except** Florida, New Mexico, and West Virginia.
  - Maryland and Nevada have chosen not to participate.

Phase II – Eligible Subdivisions: **Within settling states only**, both non-litigating and litigating subdivisions may participate, including all municipal, county, city, town, township, parish, village, or borough governments, as well as any other subdivisions that have filed lawsuits that fall within the release provisions of the 2022 National Settlements. "Special Districts" are treated as "Subdivisions" under the Walmart, Walgreens, and CVS Settlements. Under the Teva and Allergan Settlements, certain special districts, such as school districts, fire districts, and hospital districts, are eligible to participate in the 2022 National Settlements, along with subdivisions. For ease of reference, unless otherwise noted, use of the term "Subdivision" in these FAQs incudes eligible "Special Districts."

Subdivisions within a state can only participate if their state is participating.

In addition, certain subdivisions—even within participating states—may not be eligible to participate in one or more of the 2022 National Settlements despite their state participating, e.g., if they have previously settled and released their claims. Subdivisions should speak to their respective counsel and/or their respective state attorney general for further information on their eligibility.

3. **If a State or Subdivision Did Not Participate in the 2021 National Settlements with J&J or the Distributors (McKesson, Cardinal Health, and AmerisourceBergen), Can It Participate in the 2022 National Settlements with Teva, Allergan, Walmart, Walgreens, and CVS?**

Yes. Whether an eligible state or subdivision participated in either of the 2021 National Settlements does **not** impact its eligibility to participate in these more recent 2022 National Settlements with Teva, Allergan, Walmart, Walgreens, and CVS.

4. **May a State or Subdivision Participate in Some of the 2022 National Settlements While Choosing Not to Participate in Others?**

Yes, except for the Teva and Allergan Settlements, eligible states and subdivisions may choose to participate in one or more of the 2022 National Settlements, while choosing not to participate in others. **However**, if your state has participated in both the Teva and Allergan Settlements, your subdivision must participate in both or neither of these settlements; it cannot choose to participate in just Teva or just Allergan. If your state only participated in Teva, you can choose to participate only in Teva (and the Allergan Settlement is not available to you). And vice versa. A chart reflecting each state's participation status with respect to each of the 2022 National Settlements is available here: https://nationalopioidsettlement.com/state-participation-status/.

5. <u>How Many States Are Participating? Has “Critical Mass” Been Reached at the State Level?</u>

The 2022 National Settlements are designed to incentivize higher participation rates. Each settlement provides two or more “critical mass” phases for each settling Defendant and/or the states to determine whether there is sufficient participation to make it worth proceeding with the settlement or, in in the case of the Walmart Settlement, to meet minimum, objective participation thresholds.

Phase I has been met for each of the 2022 National Settlements, meaning that there was sufficient state-level participation to proceed to Phase II of the settlements regarding subdivisions. Teva, Allergan, and Walgreens each determined there was sufficient state participation to proceed to the second phase of those agreements. For the CVS Settlement, settling states on the “Enforcement Committee,” as well as CVS, determined there was sufficient state participation to proceed to the second of the settlement. For the Walmart Settlement, the “State Participation Threshold” was achieved (i.e., at least 45 of the 50 “Threshold States” joined the settlement), so that settlement will also proceed to its second phase.

A chart reflecting each state’s participation status with respect to each of the 2022 National Settlements is available here: https://nationalopioidsettlement.com/state-participation-status/.

6. <u>What Steps Are Needed for a Subdivision to Opt In?</u>

To participate, a subdivision must execute and submit a participation form **<u>for each settlement</u>** it wants to participate in. Participation forms must be executed and submitted on or **<u>before April 18, 2023</u>**, for subdivisions to be considered an “Initial Participating Subdivision” in a settlement. The participation forms will include a release (discussed below) and advance authorization for entry of a Master Dismissal of the released claims (if the settlement moves forward).

By executing and returning a participation form for a settlement: (1) the subdivision agrees to the terms of the applicable settlement agreement pertaining to subdivisions; (2) the subdivision releases all claims within the scope of such settlement; (3) the subdivision agrees to use monies it receives as required under such settlement; (4) the subdivision submits to the jurisdiction of the court where their state’s consent judgment is filed for purposes limited to that court’s role under such settlement; and (5) with respect to subdivisions who have filed lawsuits against any settling Defendant, the subdivision commits to promptly dismissing its legal action against that settling Defendant. By signing a participation form, the subdivision is authorizing the Plaintiffs’ Executive Committee (PEC) to file a dismissal on its behalf for any claims pending in the MDL. (For claims pending outside the MDL, the subdivision is obligated to dismiss those claims itself.) A link to an example of such dismissal may be found here: https://nationalopioidsettlement.com/wp-content/uploads/2023/01/form-of-Master-Stipulation-of-Dismissal.pdf.

After April 18, 2023, the extent of subdivision participation will be used to determine whether participation for each deal is sufficient for the settlement to move forward and whether a state earns its maximum potential payment under the settlement. See FAQ #8 below. If the settlement moves forward, the release in the subdivision's participation form will become effective. If a settlement does not move forward, that release will not become effective.

There are three methods for returning the executed participation forms and any supporting documentation to the Implementation Administrator:

1. **Electronic Signature via DocuSign:** Executing the participation forms electronically through DocuSign will return the signed forms to the Implementation Administrator and associate a subdivision's forms with that subdivision's records. Electronic signature is the most efficient method for returning participation forms, allowing for more timely participation and the potential to meet higher settlement payment thresholds, and is therefore strongly encouraged.

2. **Manual Signature returned via DocuSign:** DocuSign allows forms to be downloaded, signed manually, then uploaded to DocuSign and returned automatically to the Implementation Administrator. Please be sure to complete all fields. As with electronic signature, returning manually signed participation forms via DocuSign will associate a subdivision's signed forms with that subdivision's records.

3. **Manual Signature returned via electronic mail:** If a subdivision is unable to return executed participation forms using DocuSign, signed participation forms may be returned via electronic mail to opioidsparticipation@rubris.com. Please include the name, state, and reference ID of your subdivision in the body of the email and use the following subject line:

Settlement Participation Forms – [Subdivision Name, Subdivision State] – [Reference ID]

Detailed instructions on how to sign and return the participation forms, including changing the authorized signer, can be found at https://nationalopioidsettlement.com. You may also contact opioidsparticipation@rubris.com.

7. What Are the Deadlines to Opt In to One or More of the 2022 National Settlements?

As discussed above in FAQ #5, the state participation phase of the settlements has resulted in sufficient state participation to move forward with subdivision participation phase. The applicable time periods and deadlines are set forth below in Chart A. These deadlines reflect agreed extensions beyond the dates provided for under the settlement agreements.

For each of the 2022 National Settlements, subdivisions will have until **April 18, 2023**, to execute and submit their participation forms and be considered an "Initial Participating Subdivision" in a settlement.

For the Teva, Allergan, Walgreens, and CVS Settlements, these settling Defendants will then have until May 18, 2023, to determine whether to proceed further with their respective settlements.[3] The Walgreens and CVS Settlements include an intervening deadline (May 2, 2023) by which states are to determine whether there has been sufficient subdivision-level participation to proceed with those settlements.

Chart A

Settling Defendant	Initial deadline for subdivisions to participate in settlement	Deadline for states to determine whether to proceed	Deadline for settling Defendants to determine whether to proceed (Reference Date[4])
Walmart	April 18, 2023		
Teva	April 18, 2023		May 18, 2023
Allergan	April 18, 2023		May 18, 2023
Walgreens	April 18, 2023	May 2, 2023	May 18, 2023
CVS	April 18, 2023	May 2, 2023	May 18, 2023

8. What Level of Subdivision Participation Is Necessary for the 2022 National Settlements to Become Effective?

[3] Under the Walmart Settlement, each of the settling states will use reasonable efforts to ensure that, by April 18, 2023, the settling states have met the following "Subdivision Participation Thresholds" for the Walmart Settlement to become effective: (1) more than 85% of the aggregate population of all litigating subdivisions located in the settling states and separately settling states, and (2) more than 85% of the aggregate population of all non-litigating threshold subdivisions located in the settling states and separately settling states, (a) have become participating subdivisions, (b) are subject to a bar or case-specific resolution, or (c) have joined a settlement between Walmart and a separately settling state by executing a participation form, including a release.

[4] In the Teva, Allergan, Walgreens, and CVS Settlements, the "Reference Date" refers to the date by which each respective settling Defendant is to determine whether there has been enough subdivision-level participation to proceed beyond the second phase of its settlement. (In the Walmart Settlement, the "Subdivision Participation Thresholds" are based on objective criteria, and there is thus no such "Reference Date.")

Under the Teva, Allergan, Walgreens, and CVS Settlements, there is no set threshold of subdivision-level participation required for those settlements to become effective. As to the Teva and Allergan Settlements, once the deadline for subdivisions to participate has passed, these settling Defendants will determine whether there has been sufficient subdivision-level participation for these settlements to become effective. The Walgreens and CVS Settlements operate similarly to the Teva and Allergan Settlements, except that under those settlements, the settling states (Walgreens) or the "Enforcement Committee" representing the settling states (CVS) will first have the opportunity to determine whether there has been sufficient subdivision participation to proceed with these settlements. If so, then Walgreens and CVS are to determine whether they agree that sufficient subdivisions have participated in the settlements. The decisions of the Teva, Allergan, CVS, and Walgreens as to whether there has been adequate subdivision-level participation is in their sole discretion and must be made in good faith.

The Walmart Settlement is different in that the level of subdivision participation required for the settlement to become effective is based on objective criteria: (1) more than 85% of the aggregate population of all litigating subdivisions located in settling states, as well as states that have separately settled with Walmart, must agree to participate or otherwise have their claims fully released, **and** (2) more than 85% of the aggregate population of all non-litigating threshold subdivisions (defined to include subdivisions with populations greater than 30,000 or those with populations between 10,000 and 30,000 that have brought opioids-related claims against McKesson, Cardinal Health, AmerisourceBergen, or J&J) must agree to participate or otherwise have their claims fully released. The calculation of the aggregate populations of litigating subdivisions and non-litigating threshold subdivisions is on an aggregated basis and not a state-by-state basis. If these thresholds are met, then the Walmart Settlement will become effective.

9. Can Eligible States Opt In After the Deadlines for Doing So?

Except for the Walmart Settlement, eligible states may, under certain circumstances, join the 2022 National Settlements after the deadlines to do so. However, later joinder by eligible states requires the consent of the respective settling Defendant (and, if applicable, the State Enforcement Committee for such settlement). If an eligible state later joins a 2022 National Settlement, subdivisions within that state may also sign on and participate in such settlement but may receive lower total payments. Note that, with respect to the CVS and Walgreens Settlements, no eligible state may become a settling state after May 31, 2023, and June 30, 2023, respectively.

10. What Funds Will Be Available for Abatement?

The amounts to be paid under each 2022 National Settlement depend on the level of participation by eligible states and subdivisions. Each of the settlements requires the settling Defendant to make annual payments over a period of years consisting of base and incentive payments. **Assuming maximum participation** by eligible states and subdivisions, Chart B below reflects the **highest** amounts to be paid by each settling Defendant, including the base, incentive, and total amounts for abatement.

Chart B

Settling Defendant	Abatement – Base	Abatement - Incentive	Abatement – Total	Other	Total
Teva	$1,325,488,100 (45% of the Net Abatement Amount of $2,945,529,111)	$1,620,041,011 (55% of the Net Abatement Amount of $2,945,529,111)	$2,945,529,111	• Maximum cash conversion of Settlement Product if Settling State elects to convert all or a portion of its Settlement Product allocation into a cash payment ($240,000,000)[5] • Additional Restitution Amount ($28,669,762) • Global Settlement Attorney Fee Amount of ($366,335,847.76)	$3,580,534,720.76
Allergan	$809,634,037.95 (45% of the Net Abatement Amount of $1,799,186,751)	$989,552,713.05 (55% of the Net Abatement Amount of $1,799,186,751)	$1,799,186,751	• Additional Restitution Amount ($16,192,680.76) • Global Settlement Attorney Fee Amount ($206,906,476.36)	$2,022,285,908.12
Walmart	$909,641,765.08 (38% of Global Settlement Remediation Amount of $2,393,794,118.64).	$1,484,152,353.56 (62% of Global Settlement Remediation Amount of $2,393,794,118.64).	$2,393,794,118.64	• Subdivision Attorneys' Fees, Expenses and Costs ($297,720,376.93) • State Outside Counsel Fee Fund ($16,006,471.88) • State Cost Fund ($16,006,471.88)	$2,739,533,911.20

[5] Under the Teva Settlement, Teva will offer up to $1.2 billion of Teva's generic version of the overdose reversal drug Narcan or, alternatively, provide cash at 20% of the $1.2 billion wholesale acquisition cost "in lieu of product."

				• Additional Remediation ($16,006,471.88)	
Walgreens	$1,963,147,836 (41% of the Adjusted State Remediation Payment of $4,788,165,456)	$2,825,017,620 (59% of the Adjusted State Remediation Payment of $4,788,165,456)	$4,788,165,456	• Private Attorneys Fees ($638,600,000) • State AG Fees and Costs ($63,842,206) • Additional Remediation Amount ($31,921,103)	$5,522,528,766
CVS	$1,626,081,118 (38% of Maximum Remediation Payment of $4,279,160,837)	$2,653,079,719 (62% of Maximum Remediation Payment of $4,279,160,837)	$4,279,160,837	• Common Benefit and Subdivision Attorneys' Fees, Expenses and Costs ($539,457,124) • State Outside Counsel Fee Fund ($28,527,739) State Cost Fund ($28,527,739) and Additional Remediation Amount ($28,527,739)	$4,904,201,178

11. How Much Will a Settling State Receive in Base Payments Under the 2022 National Settlements?

As illustrated in Chart B above, approximately $6.63 billion in base payments would be available to settling states. These base payments do not require a settling state to meet any specific participation benchmarks or conditions. Base payments will be paid out annually for distribution to each settling state according to its share of the abatement funds using the top-level state allocation model discussed below. Each state's base payment is then allocated into the three sub-funds or according to a state-subdivision agreement, qualifying statute, or statutory trust, as explained below.

12. How Much Can a State Receive in Incentive Payments?

Under the 2022 National Settlements, approximately $9.57 billion in abatement funds would be earmarked for "Incentive Payments" Although the criteria for Incentive Payments under each of the 2022 National Settlements are similar, there are differences in how they operate and when they accrue, as explained in FAQ #13 below.

13. **How Do Incentive Payments Work?**[6]

In each of the 2022 National Settlements, incentive payments are designed to reward states for increasing participation in the settlements by their subdivisions and/or taking steps to bar or otherwise resolve current and future subdivision litigation, but there are differences in how these incentive payments operate and when they accrue.

Eligibility for incentive payments is **state-specific**, meaning that eligibility for incentive payments, as well as the amount of such payments, depends on whether, and the extent to which, the applicable incentive criteria set forth in each of the 2022 National Settlements are met **in each such settling state**, irrespective of any other settling states.

- **Teva/Allergan**

The Teva and Allergan Settlements divide incentive payments into four categories: Incentives A, B, C, and D. Under the Teva Settlement, Incentives A-C would be due in installments over 12 years beginning with Payment Year 2, and Incentive D would be due in installments over 10 years beginning with Payment Year 4. Under the Allergan Settlement, Incentives A-C would be due in installments over 6 years beginning with Annual Payment 2, and Incentive D would be due in installments over 4 years beginning with Annual Payment 4. Under these settlements, if a settling state qualifies for Incentive A, it would receive the maximum payment allocable to the State for Incentives A-C. If a settling state does not qualify for Incentive A, it can alternatively qualify for Incentive B and/or Incentive C. A settling state can qualify for Incentive D regardless of whether it qualifies for another incentive payment.

Incentives A-D are generally as follows:

> **Incentive A:** Full participation, or fully released claims, of (1) litigating subdivisions/special districts and (2) non-litigating subdivisions with populations greater than 10,000/non-litigating covered special districts.
>
> **Incentive B:** Early participation, or released claims, by litigating subdivisions/special districts representing at least 75% of the settling state's litigating population.
>
> **Incentive C:** Participation, or release of claims, by litigating **or** non-litigating primary subdivisions (defined as subdivisions with populations of 30,000 or more) representing more than 60% of the settling state's primary subdivision population (Part 1) and 100% of its 10 largest subdivisions by population (Part 2).

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[6] Note that these FAQs include certain terms that are specifically defined in the 2022 National Settlements. The definitions contained in the 2022 National Settlements are determinative.

Incentive D: No opioids-related lawsuits filed by subdivisions within the settling state against settling Defendants as of two look-back dates 2 years and 5.5 years after the "Preliminary Agreement Date."

- **CVS**

Under the CVS Settlement, Incentives A-D are generally like the Teva and Allergan Settlements. But there are certain differences.

First, unlike the Teva and Allergan Settlements, Incentive A is **mutually exclusive** with Incentives B, C, and D, meaning that a settling state may either qualify for Incentive A, or Incentives B, C, and/or D. A settling state will be eligible for its full allocable share of the maximum amount available for incentive payments by either: (1) achieving Incentive A within 2 years of the Effective Date or (2) by fully earning Incentive B in each Payment Year it is available and earning Incentives C and D in a manner that produces that maximum possible combined amount from those two incentives.

Second, Incentive B requires early participation, or released claims, by litigating subdivisions representing at least 85% of the settling state's litigating population.

Third, Incentive C requires participation, or release of claims, by at least 85% of the settling state's litigating subdivisions **and** non-litigating threshold subdivisions (defined to include subdivisions with populations greater than 30,000 or subdivisions with populations between 10,000 and 30,000 that have brought an opioids-related claim against McKesson, Cardinal Health, AmerisourceBergen, or J&J).

Finally, there are five look-back dates for Incentive D: April 30 of Payment Years 6-10.

- **Walgreens**

Under the Walgreens Settlement, incentive payments are divided among three categories: Incentives A, BC, and D. Incentive A is mutually exclusive with Incentives BC and D; if a settling state receives Incentive A, such settling state is not eligible for Incentives BC or D.

Incentive A requires full participation from all litigating subdivisions, primary subdivisions (defined to include subdivisions with populations over 10,000), and certain special districts. Incentive BC is determined based on the percentage of the aggregate population of all the settling state's litigating subdivisions and non-litigating threshold subdivisions (defined to include subdivisions with populations greater than 30,000 or those with populations between 10,000 and 30,000 that have brought opioids-related claims against McKesson, Cardinal Health, AmerisourceBergen, or J&J) that have participated in the settlement or otherwise fully released their claims. A sliding percentage scale will determine the Incentive BC Payments under these settlement agreements.

Under the Walgreens Settlement, a settling state may earn Incentives A and BC in annual payments 2 through 15.

Finally, Incentive D (payments which are based on Incentive BC participation percentage) can be earned if there are no qualifying lawsuits surviving a threshold motion as of certain look-back dates prior to Incentive D payments being made. Any Incentive D payments would be made under the Walgreens Settlement during Payment Years 6-15.

- **Walmart**

Incentive payments under the Walmart Settlement operate similarly to incentive payments under the Walgreens Settlement. However, under the Walmart Settlement, Incentive Payments A and BC would be paid in (at most) three payments in Payment Years 1 through 3. Any Incentive D payments would be made during Payment Years 3-6.

14. If States or Subdivisions Elect to Participate in the 2022 National Settlements, When Will They Receive Abatement Fund Payments?

Participating states and subdivisions would receive abatement proceeds through annual payments continuing over a period of years. Chart C below sets forth, for each 2022 National Settlement, the date through which annual abatement payments would be made by the respective settling Defendant.

Chart C

Settling Agreement	Annual Abatement Payments Made Until
Teva Settlement	July 15, 2035
Allergan Settlement	July 15, 2029
Walmart Settlement	~July 15, 2028
Walgreens Settlement	December 31, 2036
CVS Settlement	June 30, 2032

15. How Will Settlement Proceeds Be Used?

Each of the 2022 National Settlements requires that at least 85% to 95.5% of abatement funds be used to fund opioid-remediation efforts, with at least 70% of abatement funds required to be used in connection with future opioid-remediation efforts. Chart D below sets forth, for each settlement, the minimum percentage of settlement payments disbursed to states and participating subdivisions that must be spent on "Opioid Remediation" and "future Opioid Remediation," respectively. The 2022 National Settlements effectively define "Opioid Remediation" as including care, treatment, and other programs and expenditures (including reimbursement for past such programs or expenditures, except where the agreement restricts the use of funds solely to **future** Opioid Remediation) designed to (1) address the misuse and abuse of opioid products, (2) treat or mitigate opioid use or related disorders, or (3) mitigate other alleged effects of, including on those injured as a result of, the opioid epidemic. The 2022 National Settlements include broad and non-exhaustive lists of qualifying opioid-remediation expenditures.[7]

Chart D

Settling Defendant	Minimum Amount of Settlement Proceeds To Be Spent on Opioid Remediation	Minimum Amount of Settlement Proceeds To Be Spent on Future Opioid Remediation
Teva	85%	70%
Allergan	85%	70%
Walmart	85%	70%
Walgreens	95%	70%
CVS	95.5%; *provided, however*, that the remaining 4.5% only may be spent outside of Opioid Remediation to the extent necessary to satisfy certain attorney fee agreements entered into by settling states.	70%

16. How Will the State-Level Allocations Be Made?

Under the 2022 National Settlements, each of the settling Defendants would make annual payments consisting of base and incentive payments (described above). Calculation of the amounts distributed to each settling state (including the state and its settling subdivisions) starts with a top-level allocation among all states of the maximum potential payment. How much of that maximum amount each state will receive in any given year is then based on (1) which incentive payment categories that state qualifies for that year; and (2) whether amounts otherwise payable are offset or otherwise adjusted (see FAQ #18 below regarding offsets). Once the

[7] If settlement proceeds are used for something other than "Opioid Remediation," then the amounts and uses (including any use to pay attorneys' fees and costs) must be publicly reported.

annual payment for a state is calculated, the further allocation of that state's payment proceed as outlined below among that state's (1) "State Fund"; (2) "Abatement Accounts Fund"/"Remediation Accounts Fund"; and (3) "Subdivision Fund."

For purposes of the top-level maximum potential allocation discussed above, an "Overall Allocation Percentage" or "State Allocation Percentage" has been calculated for each 2022 National Settlement based on the states eligible to participate in such settlements. Within each eligible state, there is a "Subdivision Allocation Percentage" or "Subdivision and Special District Allocation Percentage," set forth in Exhibit G to the respective 2022 National Settlements, which reflects the portion of a settling state's Subdivision Fund that a subdivision would receive if it becomes a participating subdivision (in the absence of a state-subdivision agreement, qualifying statute, or statutory trust; see FAQ #17 below). The aggregate "Subdivision Allocation Percentage" or "Subdivision and Special District Allocation Percentage" for each state equals 100%.

These sub-percentages for each state are based on population, adjusted for the proportionate share of the impact of the opioid epidemic using reliable, detailed, and objective national data, including: (1) the amount of opioids shipped to the state; (2) the number of opioid-related deaths that occurred in the state; and (3) the number of people who suffer opioid use disorder in the state. Adjustments were made to reflect the severity of impact insofar as the oversupply of opioids had more deleterious effects in some locales than in others. Ultimately, the model allocates settlement funds in proportion to where the opioid crisis has caused harm.

17. <u>How Will Settlement Funds Be Allocated Within a State?</u>

Settlement proceeds will be allocated in accordance with the terms of any qualifying agreement between a state and its subdivisions, a qualifying statute, or a statutory trust. Otherwise, settlement proceeds will be allocated in accordance with default allocation terms set out in the respective 2022 National Settlements. Under these default terms, settlement proceeds will be allocated among three sub-funds for each settling state: (1) a State Fund; (2) an Abatement Accounts Fund or Remediation Accounts Fund; and (3) a Subdivision Fund.[8] There are several important points to observe with respect to three sub-funds:

[8] Non-litigating municipalities with a population under 10,000 and special districts will not receive direct allocations from the Subdivision Fund, unless an intrastate agreement provides otherwise. Moreover, a subdivision will not necessarily directly receive settlement funds by participating because decisions on how settlement funds will be allocated within a state may be subject to intrastate agreements or state statutes.

- The settlement agreements provide default allocations among the sub-funds (15% to the State Fund, 70% to the Abatement Accounts Fund/Remediation Accounts Fund, and 15% to the Subdivision Fund[9]). As noted above, these defaults can be changed on a state-by-state basis through a qualifying state-subdivision agreement, qualifying statute, or statutory trust.[10]
- Under the default set forth in the 2022 National Settlements, at least 50% of the annual spend from the Abatement Accounts Fund/Remediation Accounts Fund must be allocated at a **regional** level for settling states above a certain population. Each settling state will have an advisory committee—with equal representation from the state and local levels—to recommend how to spend the Abatement Accounts Fund/Remediation Accounts Fund.[11]
- Certain large participating subdivisions also will be eligible to receive block grants from the Abatement Accounts Fund/Remediation Accounts Fund.
- A settling state also is free to direct all or a portion of its State Fund to its Abatement Accounts Fund/Remediation Accounts Fund. A participating subdivision listed in Exhibit G to the respective 2022 National Settlements also may choose to direct all or a portion of its allocation from the Subdivision Fund to the state's Abatement Accounts Fund/Remediation Accounts Fund or to another participating subdivision.

18. Can a Defendant Take an Offset Against a Settlement Payment?

In each of the 2022 National Settlements, the settling Defendant is entitled to an offset for abatement/remediation payments that had been allocated to states that did not choose to participate in that settlement. In addition, Teva, Allergan, Walgreens, and CVS are entitled to dollar-for-dollar offsets for certain class resolution opt-outs, as well as payments made as a result of litigation bars, settlement class resolutions, or case-specific resolutions that are subsequently revoked, rescinded, or otherwise materially limited. Walgreens and CVS are also entitled to a dollar-for-dollar offset for certain taxes, assessments, or any other fees imposed by a settling state on Walgreens or CVS on the sale, transfer, or distribution of opioid products.

19. Will the Settlements Require Any Change to How the Defendants Operate Their Businesses?

[9] As a default, amounts apportioned to a state's Subdivision Fund would be distributed to participating subdivisions in that state listed on Exhibit G to the respective 2022 National Settlement, per the Subdivision Allocation Percentage listed in Exhibit G.

[10] Allocation agreements/statutes have already been reached or enacted in several states.

[11] Spending from the Abatement Allocation Account Fund will be tracked and reported annually.

In addition to billions of dollars to be used for abatement of the effects of the opioid epidemic in communities across the nation, the proposed settlements provide for robust and meaningful injunctive relief that will require the settling Defendants to make significant changes to their business operations to address the opioid epidemic.

Teva and Allergan have agreed to strict limitations on their marketing, promotion, sale, and distribution of opioids, including a ban on: (1) promotion and lobbying; (2) rewarding or disciplining employees based on volume of opioid sales; and (3) funding or grants to third parties; and Teva and Allergan are also required to publicly disclose documents, including internal documents, related to their role in the opioid crisis. Allergan is also required to stop manufacturing and selling opioids for ten years, and Teva is required to create and maintain systems to prevent drug misuse, including suspicious order monitoring.

Walmart, CVS, and Walgreens are required to implement changes in how they handle opioids, including requirements that they: (1) maintain independent departments to oversee compliance with controlled-substance laws and the injunctive terms in the settlements; (2) ensure pharmacists exercise independent judgment in the dispensing of controlled substances; (3) create and maintain robust oversight programs, including site visits and audits, to prevent diversion; (4) monitor, report, and share data about suspicious activity related to opioid prescriptions; and (5) provide data to the states about their red-flag processes, as well as blocked and potentially problematic prescribers.

20. How Will Attorneys' Fees and Costs Be Addressed?

The overarching goal of these global settlements is to dedicate funds to abate opioid-related harms. If private lawyers who represent some of the states and thousands of subdivisions were to enforce their contingency fee contracts, then a significant portion of the global settlement payments would potentially go towards legal fees to compensate efforts to prosecute the lawsuits that are being resolved as to the settling Defendants. As a result, government entities that hired outside counsel to litigate against the settling Defendants would recover proportionately less than entities that did not litigate. To protect against this imbalance, and maximize the amounts available for abatement, the negotiating State Attorneys General, the Plaintiffs' Executive Committee (PEC) Negotiation Team, and the settling Defendants agreed that the settling Defendants will pay, and the parties will set aside, separate funds to compensate attorneys' fees and costs. These funds total approximately $2.2 billion in connection with the Teva, Allergan, Walmart, Walgreens, and CVS Settlements. See the "Other" column within Chart B in FAQ #10 above for deal-specific amounts. These attorneys' fees include amounts for outside counsel representing participating states and participating subdivisions and are intended to cover both contingency and common benefit work.

21. How will more information on the settlements be made available?

Settlement documents, information, and updates will be posted on a public settlement website: https://nationalopioidsettlement.com/

The website will provide current information on an ongoing basis as the settlement implementation progresses. Some states have also set up their own websites to provide state-specific information.

Staff Report

Item Number: 6.D.

Agenda Item: **Resolution #1690 - Making Appointments to Various Regional Organizations and Committees**
Consider and act upon Resolution #1690, making appointments to various regional organizations and committees.

Staff Contact: Charity Brooks, Town Clerk

Meeting Date: February 28, 2023

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal:

- Goal Area 2 - Enhance the quality of life for residents, businesses and visitors to Clarkdale.
- Goal Area 6 - Strategically invest in organizational development to enhance efficiency and service delivery and to attract and retain an exemplary workforce.

Background: At their regular meeting on Feb. 14, 2023, the Common Council discussed which individuals would best represent the Town of Clarkdale on various regional organizations and committees within the Verde Valley. Approval of Resolution #1690 will officially designate the following individuals to represent the Town of Clarkdale:

- **League of Arizona Cities and Towns (LACT) Executive Committee:**

Representative: Mayor Robyn Prud'homme-Bauer

- **Cottonwood Area Transit (CAT):**

Representative: Marney Babbitt-Pierce
First Alternate: Lisa O'Neill
Staff: Susan Guthrie

- **Verde Valley Transportation Planning Organization (VVTPO):**

Representative: Marney Babbitt-Pierce
First Alternate: Laura Jones
Staff: Susan Guthrie and Ruth Mayday

- **Northern Arizona Council of Government (NACOG):**

Representative: Debbie Hunseder
First Alternate: Lisa O'Neill
Staff: Susan Guthrie

- **Transportation Policy Advisory Council (TPAC):**

Representative: Marney Babbitt-Pierce
Staff: Susan Guthrie and Ruth Mayday

- **Northern Arizona Municipal Water Users Association (NAMWUA):**

Representative: Lisa O'Neill

- **Sustaining Flows Committee:**

Representative: Laura Jones

- **Verde Front:**

Representative: Mayor Robyn Prud'homme-Bauer
Staff: Susan Guthrie

- **Boards and Commissions Selection Panel:**

Representative: Debbie Hunseder and Laura Jones
Staff: Joni Westcott, Ruth Mayday and Charity Brooks

- **Public Safety Personnel Retirement Local Board (PSPRS):**

Mayor or Mayor's Designee (Chair): Ben Kramer

- **Municipal Property Corporation President:**

Mayor or Mayor's Designee: Mayor Robyn Prud'homme-Bauer

Budget Impact: No buget impact.

Recommendation: Staff recommends approval of Resolution #1690, making appointments to various regional organizations and committees.

RESOLUTION #1690

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CLARKDALE, ARIZONA, MAKING APPOINTMENTS TO VARIOUS REGIONAL ORGANIZATIONS AND COMMITTEES.

WHEREAS, there are various regional organizations and internal committees/boards the Town of Clarkdale represents and serves on; and

WHEREAS, the Town of Clarkdale Mayor and Common Council are requested to notify these organizations who is appointed as the official Town of Clarkdale representatives;

NOW, THEREFORE, BE IT RESOLVED THAT, the Mayor and Common Council of the Town of Clarkdale authorize the following individuals as official Town of Clarkdale representatives to serve on these organizations from March 1, 2023 to Feb. 28, 2024, unless otherwise officially notified:

- **League of Arizona Cities and Towns (LACT) Executive Committee:**
  Representative: Mayor Robyn Prud'homme-Bauer

- **Cottonwood Area Transit (CAT):**
  Representative: Marney Babbitt-Pierce
  First Alternate: Lisa O'Neill
  Staff: Susan Guthrie

- **Verde Valley Transportation Planning Organization (VVTPO):**
  Representative: Marney Babbitt-Pierce
  First Alternate: Laura Jones
  Staff: Susan Guthrie and Ruth Mayday

- **Northern Arizona Council of Government (NACOG):**
  Representative: Debbie Hunseder
  First Alternate: Lisa O'Neill
  Staff: Susan Guthrie

- **Transportation Policy Advisory Council (TPAC):**
  Representative: Marney Babbitt-Pierce
  Staff: Susan Guthrie and Ruth Mayday

- **Northern Arizona Municipal Water Users Association (NAMWUA):**
  Representative: Lisa O'Neill

- **Sustaining Flows Committee:**
  Representative: Laura Jones

- **Verde Front:**

Representative: Mayor Robyn Prud'homme-Bauer
Staff: Susan Guthrie

- **Boards and Commissions Selection Panel:**
  Representative: Debbie Hunseder and Laura Jones
  Staff: Joni Westcott, Ruth Mayday and Charity Brooks

- **Public Safety Personnel Retirement Local Board (PSPRS):**
  Mayor or Mayor's Designee (Chair): Ben Kramer

- **Municipal Property Corporation President:**
  Mayor or Mayor's Designee: Mayor Robyn Prud'homme-Bauer

Passed and adopted by the Town of Clarkdale Council on this 28th day of February 2023.

ATTEST:

________________________________ ________________________________

Robyn Prud'homme-Bauer, Mayor
Charity Brooks, Town Clerk

Staff Report

Item Number: 7.A.

Agenda Item: **Proclamation - Teen Dating Violence Awareness**
Discuss, consider and act upon a Proclamation presented by Tracy McConnell, recognizing February as National Teen Dating Violence Awareness and Prevention Month.

Staff Contact: Charity Brooks, Town Clerk

Meeting Date: February 28, 2023

Strategic Goal: Not applicable.

Background: This February, during National Teen Dating Violence Awareness and Prevention Month, we stand with those who have known the pain and isolation of an abusive relationship, and we recommit to ending the cycle of teen dating violence that affects too many of our young people.

Together, it's on all of us to raise regional awareness about teen dating violence and promote safe and healthy relationships. Females between the ages 16-24 are more vulnerable to intimate partner violence, experiencing abuse at a rate almost triple the national average. One in three adolescent girls in the United States is a victim of physical, emotional, or verbal abuse from a dating partner, a figure that far exceeds victimization rates for other types of violence affecting youth.

High school students who experience physical violence in a dating relationship are more likely to use drugs and alcohol, are at greater risk of suicide and are much more likely to carry patterns of abuse into future relationships, and young people victimized by a dating partner are more likely to engage in risky sexual behavior and unhealthy dieting behaviors and the experience may disrupt normal development of self-esteem and body image.

Nearly half of teens who experience dating violence report that incidents of abuse took place in a school building or on school grounds and only 33% of teens who are in an abusive relationship ever tell anyone about the abuse, and 81% of parents surveyed either believe teen dating violence is not an issue or admit they do not know if it is one.

By providing young people with education about healthy relationships and relationship skills and by changing attitudes that support violence, we recognize that dating violence can be prevented. It is essential to raise community awareness and to provide training for teachers, counselors and school staff so that they may recognize when youth are exhibiting signs of dating violence.

The establishment of Teen Dating Violence Awareness and Prevention Month will benefit young people, their families, schools, and communities regardless of socioeconomic status, gender, sexual orientation or ethnicity. Everyone has the right to a safe and healthy relationship and to be free from abuse.

Dating violence transcends gender, race, religion, ethnicity, sexual orientation, and socioeconomic status. It takes many forms, among them physical, sexual, and emotional abuse, bullying, and shaming, which can occur in person or through electronic communication and social media. The spiral of violent dating relationships can lead to depression, anxiety, drug and alcohol use, as well as suicidal thoughts. Victims, especially young women, transgender, and gender-nonconforming youth who face higher rates of violence, may suffer lifelong consequences. The pattern of abuse often continues into future relationships.

If you or someone you know is involved in an abusive relationship of any kind, immediate and confidential support is available by visiting loveisrespect.org or calling Verde Valley Sanctuary at (928) 634-2511.

Budget Impact: No budget impact.

Recommendation: Staff recommends that Council approve the proclamation, recognizing February as National Teen Dating Violence Awareness and Prevention Month.

Verde Valley Sanctuary

A Proclamation on National Teen Dating Violence Awareness and Prevention Month

WHEREAS, This February, during National Teen Dating Violence Awareness and Prevention Month, we stand with those who have known the pain and isolation of an abusive relationship, and we recommit to ending the cycle of teen dating violence that affects too many of our young people.

WHEREAS, together, it's on all of us to raise regional awareness about teen dating violence and promote safe and healthy relationships.

WHEREAS, females between the ages 16-24 are more vulnerable to intimate partner violence, experiencing abuse at a rate almost triple the national average; and

WHEREAS, one in three adolescent girls in the United States is a victim of physical, emotional, or verbal abuse from a dating partner, a figure that far exceeds victimization rates for other types of violence affecting youth; and

WHEREAS, high school students who experience physical violence in a dating relationship are more likely to use drugs and alcohol, are at greater risk of suicide and are much more likely to carry patterns of abuse into future relationships; and

WHEREAS, young people victimized by a dating partner are more likely to engage in risky sexual behavior and unhealthy dieting behaviors and the experience may disrupt normal development of self-esteem and body image; and

WHEREAS, nearly half of teens who experience dating violence report that incidents of abuse took place in a school building or on school grounds; and

WHEREAS, only 33% of teens who are in an abusive relationship ever tell anyone about the abuse, and 81% of parents surveyed either believe teen dating violence is not an issue or admit they do not know if it is one; and

WHEREAS, by providing young people with education about healthy relationships and relationship skills and by changing attitudes that support violence, we recognize that dating violence can be prevented; and

WHEREAS, it is essential to raise community awareness and to provide training for teachers, counselors and school staff so that they may recognize when youth are exhibiting signs of dating violence; and

WHEREAS, the establishment of Teen Dating Violence Awareness and Prevention Month will benefit young people, their families, schools, and communities regardless of socioeconomic status, gender, sexual orientation or ethnicity; and

WHEREAS, everyone has the right to a safe and healthy relationship and to be free from abuse.

WHEREAS, dating violence transcends gender, race, religion, ethnicity, sexual orientation, and socioeconomic status. It takes many forms, among them physical, sexual, and emotional abuse, bullying, and shaming, which can occur in person or through electronic communication and social media.

WHEREAS, the spiral of violent dating relationships can lead to depression, anxiety, drug and alcohol use, as well as suicidal thoughts. Victims, especially young women, transgender, and gender nonconforming youth who face higher rates of violence, may suffer lifelong consequences. The pattern of abuse often continues to future relationships.

WHEREAS, If you or someone you know is involved in an abusive relationship of any kind, immediate and confidential support is available by visiting loveisrespect.org or calling Verde Valley Sanctuary at (928) 634-2511.

NOW, THEREFORE, BE IT RESOLVED, that I, Robyn Prud'homme-Bauer, Mayor of the Town of Clarkdale, Arizona, on behalf of the Town Council, do hereby proclaim February 2023 as National Teen Dating Violence Awareness and Prevention Month. I call upon all citizens to support efforts in their communities and schools, and in their own families, to empower young people to develop healthy relationships throughout their lives and to prevent and respond to teen dating violence. It's on all of us.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the Town of Clarkdale, Arizona, to be affixed this 28 day of February 2023.

ATTEST:

Robyn Prud'homme-Bauer – Mayor	Charity Brooks, Town Clerk

Staff Report

Item Number: 7.B.

Agenda Item: **Proclamation - National Vietnam War Veterans Day**
Discuss, consider and act upon a Proclamation declaring March 29, 2023, as National Vietnam War Veterans Day.

Staff Contact: Randy Taylor, Police Chief

Meeting Date: February 28, 2023

Strategic Goal: Not applicable.

Background: The Vietnam War was fought in the Republic of South Vietnam from 1961 to 1975, and involved North Vietnamese regular forces and Viet Cong guerrilla forces in armed conflict with the United States Armed Forces and the Army of the Republic of Vietnam. The United States Armed Forces became involved in Vietnam because the United States Government wanted to provide direct military support to the Government of South Vietnam to defend itself against the growing Communist threat from North Vietnam.

Members of the United States Armed Forces began serving in an advisory role to the Government of the Republic of South Vietnam in 1961. As a result of the Gulf of Tonkin incidents on Aug. 2 and 4, 1963, Congress overwhelmingly passed the Gulf of Tonkin Resolution (Public Law 88-408), on Aug. 7, 1964, which provided the authority to the President of the United States to prosecute the war against North Vietnam.

In 1965, United States Armed Forces ground combat units arrived in Vietnam and by the end of 1965, there were 80,000 United States troops in Vietnam, and by 1969, a peak of approximately 543,000 troops was reached. More than 58,000 members of the United States Armed Forces lost their lives in Vietnam and more than 300,000 members of the Armed Forces were wounded.

In 1982, the Vietnam Veterans Memorial was dedicated in the District of Columbia to commemorate those members of the United States Armed Forces who died or were declared missing-in-action in Vietnam.

The Vietnam War was an extremely divisive issue among the people of the United States and a conflict that caused a generation of veterans to wait too long for the United States public to acknowledge and honor the efforts and services of such veterans. Members of the United States Armed Forces who served bravely and faithfully for the United States during the Vietnam War were often wrongly criticized for the policy decisions made by four presidential administrations in the United States.

This year marks the 50th anniversary from when the combat soldiers returned home from Vietnam and March 29, 2023, would be an appropriate day to establish as 'National Vietnam War Veterans Day'.

Budget Impact: No budget impact.

Recommendation: Staff recommends that Council approve the proclamation declaring March 29, 2023, as National Vietnam War Veterans Day.

PROCLAMATION

National Vietnam War Veterans Day

WHEREAS, the Vietnam War was fought in the Republic of South Vietnam from 1961 to 1975, and involved North Vietnamese regular forces and Viet Cong guerrilla forces in armed conflict with the United States Armed Forces and the Army of the Republic of Vietnam; and

WHEREAS, the United States Armed Forces became involved in Vietnam because the United States Government wanted to provide direct military support to the Government of South Vietnam to defend itself against the growing Communist threat from North Vietnam;

WHEREAS, members of the United States Armed Forces began serving in an advisory role to the Government of the Republic of South Vietnam in 1961;

WHEREAS, as a result of the Gulf of Tonkin incidents on August 2 and 4, 1963, Congress overwhelmingly passed the Gulf of Tonkin Resolution (Public Law 88-408), on August 7, 1964, which provided the authority to the President of the United States to prosecute the war against North Vietnam;

WHEREAS, in 1965, United States Armed Forces ground combat units arrived in Vietnam;

WHEREAS, by the end of 1965, there were 80,000 United States troops in Vietnam, and by 1969, a peak of approximately 543,000 troops was reached;

WHEREAS, more than 58,000 members of the United States Armed Forces lost their lives in Vietnam and more than 300,000 members of the Armed Forces were wounded;

WHEREAS, in 1982, the Vietnam Veterans Memorial was dedicated in the District of Columbia to commemorate those members of the United States Armed Forces who died or were declared missing-in-action in Vietnam;

WHEREAS, the Vietnam was an extremely divisive issue among the people of the United States and a conflict that caused a generation of veterans to wait too long for the United States public to acknowledge and honor the efforts and services of such veterans;

WHEREAS, members of the United States Armed Forces who served bravely and faithfully for the United States during the Vietnam War were often wrongly criticized for the policy decisions made by 4 presidential administrations in the United States;

WHEREAS, the establishment of a 'National Vietnam War Veterans Day' would be an appropriate way to honor those members of the United States Armed Forces who served in South Vietnam and throughout Southeast Asia during the Vietnam War; and

WHEREAS, this year marks the 50th anniversary from when the Combat Soldiers returned home from Vietnam, making this the final year for this event; and

WHEREAS, March 29, 2023, would be an appropriate day to establish as 'National Vietnam War Veterans Day'.

NOW THEREFORE, BE IT RESOLVED THAT, the Mayor and Common Council of the Town of Clarkdale resolve:

1) Honors and recognizes the contributions of veterans who served in the United States Armed Forces in Vietnam during war and during peace;
2) Encourages States and local governments to also establish 'National Vietnam War Veterans Day'; and
3) Encourages the people of the United States to observe National Vietnam War Veterans Day; with appropriate ceremonies and activities that
    a. Provide the appreciation Vietnam War veterans deserve, but did not receive upon return home from the war;
    b. Demonstrate the resolve that never again shall the Nation disregard and denigrate a generation of veterans;
    c. Promote awareness of the faithful service and contributions of such veterans during their military service as well as to the communities since returning home;
    d. Promote awareness of the importance of entire communities empowering veterans and the families of veterans to readjust to civilian life after military service; and
    e. Promote opportunities for such veterans to assist younger veterans returning from the wars in Iraq and Afghanistan in rehabilitation from wounds, both seen and unseen, and to support the reintegration of younger veterans into civilian life.

Passed and approved by the Common Council at their regular meeting on Feb. 28, 2023.

ATTEST:

Robyn Prud'homme-Bauer – Mayor	Charity Brooks, Town Clerk

Staff Report

Item Number: 7.C.

Agenda Item: **Contractual Agreement for Collaboration in Crisis Mobile Services with Spectrum Healthcare Group, Inc.**
Discuss, consider and act upon a request by staff to approve the Contractual Agreement for 911 deflection services with Spectrum Healthcare.

Staff Contact: Randy Taylor, Police Chief

Meeting Date: February 28, 2023

Strategic Goal: This agenda item supports the following Clarkdale Strategic Goal:

- Goal Area 2 - Enhance the quality of life for residents, businesses, and visitors to Clarkdale.

Background: Nationally, up to 15% of calls made to 911 are for issues related to behavioral health. Law enforcement response to these calls is costly—an estimated $918M annually nationwide—and not always the most appropriate response for individuals in a crisis, leading to unnecessary incarceration and hospitalization and creating an undue burden on law enforcement, emergency departments, and hospitals. Often, individuals are not an immediate danger to themselves or others, and would be best served by mental health support, ongoing care, and connection to community resources to meet their needs.

To address this overreliance on law enforcement in responding to behavioral health crises, Spectrum will leverage its experience in mobile crisis response to pilot a 911 Deflection Program in partnership with the Clarkdale Police Department.

This model of 911 Deflection is endorsed by the Bureau for Justice Assistance Council of Governors and aligned with the Substance Abuse and Mental Health Services (SAMHSA) National Guidelines for Behavioral Health Crisis Care Best Practice Tool Kit. Similar programs have been shown to reduce the burden on law enforcement, hospitals, and emergency rooms; save taxpayer dollars; and improve outcomes for individuals seeking help. Some programs have found up to 80% of behavioral health related calls may be resolved by crisis workers, connecting callers to the best possible care and reducing the burden on law enforcement.

Spectrum has been a community behavioral health provider in Yavapai County for over 50 years. In 2016, Spectrum launched our Crisis Mobile Team to decrease the burden on hospitals, emergency rooms, and the criminal justice system to serve individuals experiencing a mental health crisis. Since the initial pilot, it has expanded its mobile crisis services statewide, building collaborative relationships with local law enforcement and responding to more than 3500 crisis calls each year in Yavapai County alone.

The 911 Deflection pilot is a natural extension of our existing services and relationships. Embedded crisis dispatchers will further reduce the burden on law enforcement and provide callers in a crisis with the most appropriate response and access to follow-up care through Spectrum's integrated behavioral and physical health offerings available in person, virtually, and through mobile services.

A formal process has been developed in collaboration with local law enforcement agencies and their respective public safety answering points that is ready for immediate implementation. This includes a vetted screening process to thoroughly identify calls for service that are appropriate for 911 Deflection to a Crisis Mobile Team.

When the 911 call center receives a call from someone with a mental illness or experiencing emotional distress, the crisis dispatcher will triage the call based on an established decision tree. Callers who are not an immediate danger to themselves or others will be connected to Spectrum's Crisis Mobile Team through a transfer to the crisis worker on shift at the time of the call. In person or by phone, the Crisis Mobile Team can provide additional assessment, support, and intervention, including reengaging with law enforcement teams, if appropriate. Some examples of these types of calls include depression, suicidal thoughts, family conflict, and callers seeking immediate social service support, such as a place to sleep or access to community resources. Callers who are experiencing an immediate danger to themselves or others will result in a co-response from police and Spectrum's Mobile Crisis Team through our long-standing process and partnership.

Budget Impact: No budget impact.

Recommendation: Staff recommends that Council approve the Contractual Agreement for Collaboration in Crisis Mobile Services with Spectrum Healthcare Group, Inc.

CONTRACTUAL AGREEMENT FOR COLLABORATION IN CRISIS MOBILE SERVICES

This Agreement is made and entered into effective as of the __ day of___, 2023, by and between Spectrum Healthcare Group, Inc. (SHG) and the Town of Clarkdale through the Clarkdale Police Department ("Clarkdale Police Department").

WHEREAS, SHG provides crisis behavioral healthcare services to members of its community through 911 Deflection;

WHEREAS, SHG provides behavioral health crisis services and has developed capabilities for 24/7 coverage to include after hour, weekend and holiday coverage;

WHEREAS, in order to ensure 24/7 access to dispatch information and SHG resources for emergency crisis care and delivery of effective services, the parties desire to enter into an Agreement and set forth their respective obligations.

NOW, THEREFORE, in consideration of mutual covenants and agreements set forth herein, and other valuable consideration, the receipt and sufficiency of which is acknowledged, SHG and the Clarkdale Police Department agree as follows:

1. **Term.** This agreement shall commence as of this date first set forth above and shall continue for a period of one (1) year and shall be renewed automatically for successive one-year periods, unless terminated as herein provided.

2. **Crisis Mobile Services.** SPECTRUM performs 24/7crisis mobile services to the Clarkdale Police Department 911 Deflection. SPECTRUM is dispatched to community behavioral health emergency situations, which will involve members of the community. In order to resolve crisis situations, close collaboration, communication, and cooperation will be needed for effective coordination of care. Medically necessary E.H.R. information will be shared through this agreement between the Clarkdale Police Department and SPECTRUM. This information will be limited to an acknowledgement that SPECTRUM has responded to the call, the location where the crisis assessment was completed and or the final disposition, i.e., whether the person being assessed was safety planned, and to what location OR whether person was hospitalized, along with the name of the facility where the person was hospitalized. Crisis services will be performed in accordance with SPECTRUM protocols.

3. **Qualifications of Personnel.** SHG Inc. represents and warrants that the crisis response specialists providing professional client crisis triage and counseling services are members in good standing with SHG having passed all requisite testing and background checks required of such employees. All crisis response specialists

performing services at SHG will have a current competency record which shall be provided to the Clarkdale Police Department upon written request.

4. **Independent Contractor.** In performing the responsibilities under this Agreement, SHG and the Clarkdale Police Department shall at all times be regarded as independent contractors. The employees of one party to this Agreement shall *not* be deemed the employees of the other party.

5. **Insurance.** During the term of this Agreement, SHG shall maintain insurance or self-insurance coverage of types and sufficient amounts to protect itself and its directors, officers and employees against professional liability, general liability, directors' and officers' liability, workers' compensation claims and other claims arising from any act or omission within the scope of this Agreement. Coverage under such insurance shall not be less than One Million Dollars ($1,000,000) for each occurrence and Three Million Dollars ($3,000,000) aggregate each for professional liability insurance and comprehensive general liability insurance.

6. **Indemnification.** Each Party, the ("Indemnifying Party"), shall defend indemnify and hold harmless the other Party ("Indemnified Party") from and against any and all losses, damages, liabilities, costs, expenses (including reasonable attorney's costs and fees) and any other claims whatsoever incurred in connection with any and all third party claims, actions, causes of action, suits, investigations or enforcement actions which the Indemnified Party may suffer arising out of or relating to this Agreement or the Behavioral Health Services provided hereunder if the claim against the Indemnified Party arises out of the Indemnifying Party's negligent or intentional acts or omissions. The term "Indemnifying Party" and the term "Indemnified Party" shall include all officials, employees, agents , officers, directors, subcontractors and shareholders (if any) of the Party. Each Party's liability to the other hereunder shall in no event exceed the actual proximate losses or damages caused by the breach of this Agreement by such party or other misconduct of such Party. In no event, shall either Party or any of their respective affiliates, directors, employees or agents, be liable for any indirect, special, incidental, consequential, exemplary or punitive damages, or any damages for lost profits relating to a relationship with a third party, however caused or arising, whether or not they have been informed of the possibility of their occurrence. The obligations under this Section 6 shall survive termination of this Agreement and insurance limits shall not limit a party's obligations under this Section 6.

7. **Confidentiality of Patient Records.** Clarkdale Police Department and SHG agree to preserve the privacy and confidentiality of patient records and maintain, retain, use and/or disclose such patient records and any Protected Health Information in accordance with the Administrative Simplification section of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Public Health Services Act, 42 U.S.C. 290dd2 as related to alcohol and/or substance abuse services and/or

records, and all other applicable federal and state laws, rules and regulations, and any patient consent required thereunder.

Clarkdale Police Department and SHG shall also ensure that any records maintained electronically meet all applicable federal and state laws and regulations related to the storage, transmission and maintenance of such records. The parties agree to promptly report to the other facility any use or disclosures, of which either facility becomes aware, of Protected Health Information in violation of HIPAA, the Public Health Services Act, or the Regulations.

8. **Federal Participation.** SHG represent and warrant that the parties, and all personnel and/or representatives providing services under this Agreement are not suspended or excluded from participation in any federal or state funded health care program, including Medicare. Both parties agree to immediately notify the other party of any such suspension or exclusion and provide sufficient information to allow the other party to determine the nature of the suspension or exclusion and whether to terminate this Agreement.

9. **Termination.** Either party may terminate this Agreement, at any time, without cause upon written 30 days' notice to the other party. This Agreement shall terminate immediately in the event either party ceases to be licensed to render services or is barred or excluded from participation in the Medicare program. Either party shall have the right to terminate this Agreement, for cause, upon fifteen (15) days' written notice to the other party of a breach of a material term of this Agreement if such breach is not cured within such fifteen (15) day period.

10. **Notices.** Any notices or other communications provided for in this Agreement shall be given in writing by registered or certified mail, return receipt requested, directed to the address shown below, or such other address as may be specified by written notice hereunder.

Clarkdale Police Department:

Attn: ____________________

Address: ________________

____

To SPECTRUM:

SPECTRUM_________________

Attn:

Address:__8 E. Cottonwood St____________

__Cottonwood, AZ, 86326______

11. **No Third-Party Rights.** This Agreement is intended solely for the mutual benefit of the parties, and is not intended to benefit any other person or entity.

12. **Entire Agreement.** This Agreement, including the recitals and exhibits attached hereto, constitutes the entire Agreement between the parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or in writing, between the parties with respect to such subject matter.

13. **Amendments and Waivers.** No change or modification of any part of this Agreement shall be valid unless in writing and signed by both parties. No waiver of any provision of this agreement shall be valid unless in writing and signed by the person or party against whom charged.

14. **Agreement Not Assignable.** Neither party may transfer, assign or otherwise convey its rights or obligations under this Agreement without the written consent of the other party, and any attempt to transfer, assign or otherwise convey any rights or obligations in violation of this Section shall be void; provided, however, that nothing herein shall prohibit SPECTRUM from transferring any of its rights or obligations hereunder to an entity SPECTRUM affiliate.

15. **Governing Law.** This Agreement shall be governed by the laws of the State of Arizona.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute this Agreement.

Spectrum	**Clarkdale Police Department**
By**:** ____________________	By:________________________
Print Name: Shawn Hatch______	Print Name:__________________
Title: _Regional Vice President__	Title:_______________________
Date: ______________________	Date:_______________________