



Folsom City Council Staff Report

MEETING DATE:	10/10/2023
AGENDA SECTION:	Consent Calendar
SUBJECT:	Resolution No. 11107 - A Resolution Authorizing the Finance Director to use Opioid Settlement Funding to Add One Limited-Term Community Service Officer Position to the Police Department Budget in the General Fund and Fund Opioid Combatting Programs and Appropriation of Funds
FROM:	Police Department

RECOMMENDATION / CITY COUNCIL ACTION

Move to approve Resolution No. 11107 - A Resolution Authorizing the Finance Director to Use Opioid Settlement Funding to Add One Limited-Term Community Service Officer Position to the Police Department Budget in the General Fund and Fund Opioid Combatting Programs and Appropriation of Funds.

BACKGROUND / ISSUE

On July 21, 2021, a \$26 billion offer to settle was made by opioid manufacturer Janssen Pharmaceuticals (parent company of Johnson & Johnson) and the “big three” distributors, McKesson, AmerisourceBergen, and Cardinal Health (“the Distributors”) to resolve their liabilities in over 3,000 opioid crisis-related lawsuits nationwide. It's estimated that California will receive approximately \$2.05 billion from the Janssen and Distributors Settlement Agreements through 2038.

On July 9, 2023, five additional settlements were announced. The pharmacies (CVS, Walgreens, and Walmart) and manufacturers Allergan and Teva Pharmaceuticals together proposed settling on \$17.3 billion to address their roles in the opioid crisis. The agreements with CVS, Walgreens, and Walmart are the first multistate settlements to hold chain pharmacies accountable for failing to intervene in prescription abuse and drug diversion. While five settlements are still pending, California may see up to \$470 million, \$510 million, and \$265 million from the CVS, Walgreens,

and Walmart settlements, respectively, up to \$205 million from the Allergan settlement, and up to \$375 million from the Teva settlement for their roles in the producing and distributing opioids.

The Department of Health Care Services (DHCS) is tasked with overseeing Participating Subdivisions that receive funds from the finalized opioid settlements with McKesson, Cardinal Health and AmerisourceBergen (collectively, the Distributors) and Janssen Pharmaceuticals, as well as pending settlements with Teva, Allergan, and pharmacies Walmart, Walgreens, and CVS (collectively, the Pharmacies).

On July 17, 2023, DHCS released a draft guidance letter, known as a Behavioral Health Information Notice (BHIN), to guide Participating Subdivisions on allowable uses for the CA Abatement Accounts Fund and CA Subdivision Fund. The guidance letter includes three attachments that clarify relevant terminology and outline policies for eligible opioid remediation activities and reasonable administrative costs. In addition, the BHIN specifies the oversight, compliance, and reporting requirements related to the California Opioid Settlements.

POLICY / RULE

Section 3.02.030, Subsection H of the Folsom Municipal Code states, in part, that "prior to the City Council making any supplemental appropriation, the City Manager shall certify that monies in excess of those estimated in the budget are available for appropriation. Any such supplemental appropriation shall be made for the fiscal year by resolution, up to the amount of any excess."

ANALYSIS

To date, the City has been awarded \$282,728.52. The actual annual payments are unknown. However, the City can expect to receive at least \$190,000 annually through at least 2038.

Numerous restrictions exist on how payments may be used. One of which requires no less than 50% of the funds to be used for "High Impact Activities" such as implementing best practices for outreach, diversion and deflection, employability, restorative justice, and harm reduction, or interventions to prevent drug addiction" in vulnerable youth and unhoused.

The Police Department has identified five programs that the settlement will completely fund.

	PROGRAM	ANNUAL COST
1	One Full-Time (Limited Term) Community Service Officer	\$111,722
2	Wellness Program Enhancements in Police & Fire Departments	\$25,000
3	Anti-Opioid Campaign (One Pill Can Kill)	\$30,000
4	Naloxone Program Administration	\$10,000
5	Overdose Detection Mapping	Free

Through these and other programs, the Police Department intends to take action to prevent the misuse of opioids through public education campaigns, drug disposal and take-back destruction programs, and naloxone training and distribution for public safety. We also intend to further

support wellness for public safety members who experience secondary trauma associated with opioid-related emergency events.

FINANCIAL IMPACT

To date, the City has received \$282,728 of Opioid Settlement Funding. This proposal would allocate \$186,722 of the funds received to the Police Department budget in the General Fund (Fund 010) in FY 2023-24 for program costs listed in the table above (\$176,722) and the one-time purchase of a computer, radio, and body-worn camera (\$10,000) for a program total in year one of \$186,722. Reoccurring annual costs of \$176,722 (plus necessary annual adjustments) would continue to be funded by the settlement until 2038. The City would then evaluate the program's viability beyond the settlement terms.

ATTACHMENT

1. Resolution No. 11107 - A Resolution Authorizing the Finance Director to Use Opioid Settlement Funding to Add One Limited-Term Community Service Officer Position to the Police Department Budget in the General Fund and Fund Opioid Combatting Programs and Appropriation of Funds

Submitted,

Richard D. Hillman, Chief of Police

RESOLUTION NO. 11107

**A RESOLUTION AUTHORIZING THE FINANCE DIRECTOR
TO USE OPIOID SETTLEMENT FUNDING
TO ADD ONE LIMITED-TERM COMMUNITY SERVICE OFFICER POSITION TO
THE POLICE DEPARTMENT BUDGET IN THE GENERAL FUND AND
FUND OPIOID COMBATTING PROGRAMS
AND APPROPRIATION OF FUNDS**

WHEREAS, California joined multiple national lawsuits and prevailed against manufacturers, distributors, and other entities responsible for aiding the opioid epidemic; and

WHEREAS, California will receive at least \$2.06 billion over at least eleven years; and

WHEREAS, the City of Folsom has received \$282,728.52 of Opioid Settlement Funds to date, and will receive at least \$190,000 annually through 2038; and

WHEREAS, the Police Department will add one Limited-Term Community Service Officer and implement programs to prevent the misuse of opioids through public education campaigns, drug disposal and take-back destruction programs, and naloxone training and distribution for public safety, and support wellness for public safety members who experience secondary trauma associated with opioid-related emergency events; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom authorizes the Finance Director to add one Limited-Term Community Service Officer position to the Police Department Budget in the General Fund (Fund 010); and

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council of the City of Folsom authorizes the Finance Director to appropriate \$186,722 of Opioid Settlement Funding to the FY 2023-24 Police Department Budget in the General Fund (Fund 010) to fund the new Limited-Term Community Service Officer position and other Opioid Combatting Programs.

PASSED AND ADOPTED this 10th day of October, 2023, by the following roll call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

Rosario Rodriguez, MAYOR

ATTEST:

Christa Freemantle, CITY CLERK