

# AGENDA ITEM SUMMARY

City Council



---

## STAFF

Rupa Venkatesh, Assistant City Manager

---

## SUBJECT

**Resolution 2026-033 Approving Participation in Settlements with an Additional Six Remnant Opioid Defendants, Associated Pharmacies, Inc., J M Smith Corporation, Louisiana Wholesale Drug Company, Inc., Morris and Dickson, Co., North Carolina Mutual Wholesale Drug Company and United Natural Foods, Inc., and a Related Waiver of Claims.**

---

## EXECUTIVE SUMMARY

The purpose of this item is to allow the City to participate in the Colorado Opioids Settlement with Associated Pharmacies, Inc., J M Smith Corporation, Louisiana Wholesale Drug Company, Inc., Morris and Dickson, Co., North Carolina Mutual Wholesale Drug Company and United Natural Foods, Inc., (“Six Remnant Defendants”) granting approval to sign an additional participation agreement and waiver of claims for opioid-related damages. This is in follow-up to prior approvals of settlements with multiple other opioid defendants, negotiated through national settlement efforts coordinated through the State of Colorado.

---

## STAFF RECOMMENDATION

Staff recommends adoption of the Resolution.

---

## BACKGROUND / DISCUSSION

Through extensive negotiations, local governments and the Colorado Attorney General’s Office negotiated a Memorandum of Understanding (MOU) to govern how opioid settlement funds will be allocated in Colorado, to maximize recovery from the variety of lawsuits filed by the state and local governments across the nation along with the Subdivision Settlement Participation Forms.

To date, Colorado is on track to receive over \$880 million in opioid settlement funds. The amount the State recovers from the settlements is determined in part by the rate of participation of local governments, including both cities and counties, in the settlement agreement.

More information about the State of Colorado settlements and framework for distribution and use of the settlement funds can be found at: <https://coag.gov/opioids/> .

- The Colorado framework allocates to participating local governments 20% of the total settlement funds.
- The framework allocates 60% of the settlement funds to 19 regional opioid abatement councils to be distributed for eligible projects.
  - Larimer County is one of the regions that receives and then distributes the regional funds.
  - The Larimer County Regional Opioid Abatement Council has received applications for and allocated approximately \$5.5 million to 8 organizations for 2022-2024. In 2025, \$3.52 million was awarded to 14 different organizations in the following approved funding areas: prevention, harm reduction, treatment, recovery, planning & coordination, and administrative.
  - The City has designated Rupa Venkatesh, Assistant City Manager, to serve as its representative on the Council.
  - More on the Larimer County Regional Opioid Abatement Council can be found at: <https://www.larimer.gov/bocc/regional-opioid-abatement-council>.
- The framework allocates 10% of the settlement proceeds to an Infrastructure Fund that is allocated by the Colorado Opioid Abatement Council.
- The framework allocates 10% of the settlement proceeds to the State of Colorado, managed by the Colorado Department of Law.

In 2021, Council adopted Resolution 2021-113, approving participation in the Colorado Opioids Settlement and authorizing execution of related agreements. In 2022, Council adopted Resolution 2022- 055, authorizing the execution of an intergovernmental agreement (IGA) regarding regional opioid settlement implementation and designating a representative to the Larimer Regional Opioid Council.

On March 21, 2023, Council adopted Resolution 2023-028, authorizing the execution of participation agreements and waivers of claims for the City to participate in the additional settlements negotiated on behalf of the State of Colorado and participating local governments with opioid defendants *Teva, Allergan, Walmart, CVS and Walgreens*.

On August 20, 2024, Council adopted Resolution 2024-096, authorizing the execution of participation of agreements and waivers of claims for the City to participate in additional settlements negotiated on behalf of the State of Colorado and participating local governments with opioid defendants *Kroger*.

On September 2, 2025, Council adopted Resolution 2025-081 authorizing the execution of participation of agreements and waivers of claims for the City to participate in additional settlements negotiated on behalf of the State of Colorado and participating local governments with opioid defendant *Purdue*.

Most recently, on September 16, 2025, Council approved Resolution 2025-085 approving additional settlements with opioid defendants *Alvogen, Apotex, Amneal, Hikma, Indivior, Viatris, Sun and Zydus*.

This action approves additional settlements with opioid defendants Associated Pharmacies, Inc., J M Smith Corporation, Louisiana Wholesale Drug Company, Inc., Morris and Dickson, Co., North Carolina Mutual Wholesale Drug Company and United Natural Foods, Inc. The exact amount to be paid to the City under these settlements is not known, though it is likely to be smaller than prior amounts recovered.

## **CITY FINANCIAL IMPACTS**

---

By approving the settlements with the additional six defendants, the City and the Larimer County region stand to receive an undetermined one-time amount. The State will not know the full amount to be received by the State and allocated until all communities that choose to participate have formalized their participation. The one-time total amount of the settlement nationwide is \$97,625,000.

Through March 19, 2026, the City received \$712,532 and expended approximately \$124,317 for the drug court program through the Municipal Court. The City is projected to receive a total of approximately \$1.26 million through 2038, which does not include this settlement. Staff is actively working to recommend uses for these funds through the 2027 budget process.

## **BOARD / COMMISSION / COMMITTEE RECOMMENDATION**

---

None.

## **PUBLIC OUTREACH**

---

None.

## **ATTACHMENTS / LINKS**

---

1. Resolution 2026-033