



LEGISLATIVE COVER MEMO

Meeting Date: June 17, 2024

Agenda Item: **Resolution 2024-38**

ACCEPTING THE MATERIAL TERMS OF THE ONE OHIO POLITICAL SUBDIVISION SETTLEMENT ON BEHALF OF THE CITY OF FRANKLIN AND IN ACCORDANCE WITH THE ONE OHIO MEMORANDUM OF UNDERSTANDING AND THE TERMS OF THE JULY 21, 2021 NATIONAL OPIOID SETTLEMENT AGREEMENT, WITH RESPECT TO KROGER, CO.

Submitted by: Jonathan Westendorf, Safety Director & City Manager

Scope/Description: Corporations involved in the marketing, manufacturing, and distribution of various medications containing opioids (in various forms) have faced a variety of lawsuits across the country. The State of Ohio proposed an equitable manner in which these claims can be settled on behalf of Ohio's political subdivisions, commonly known as the "One Ohio" settlement. The opioid lawsuit spearheaded by the State of Ohio on behalf of the "One Ohio" local government settlement class is ongoing, and various defendants-distributors have negotiated individual settlements with the State/settlement class. The City of Franklin previously opted into negotiated settlements with AmerisourceBergen, Cardinal Health, McKesson, Janssen/Johnson & Johnson, and Teva, Allergan, CVS, Walgreens, and Walmart through City Council's passage of Resolution 2021-58, Resolution 2021-75, and Resolution 2023-12. There are now pending settlements with defendant Kroger, Co. This Resolution similarly states the City's agreement with, and desire to opt into, the settlement. As was the case with the previous settlements, the final settlement terms and total settlement amounts will depend on the number of Ohio political subdivisions that ultimately opt into each settlement.

Budget Impact: None at this time, other than possible increased revenue.

Recommendation: Approval

CITY OF FRANKLIN, OHIO
RESOLUTION 2024-38

ACCEPTING THE MATERIAL TERMS OF THE ONE OHIO POLITICAL SUBDIVISION SETTLEMENT ON BEHALF OF THE CITY OF FRANKLIN AND IN ACCORDANCE WITH THE ONE OHIO MEMORANDUM OF UNDERSTANDING AND THE TERMS OF THE JULY 21, 2021 NATIONAL OPIOID SETTLEMENT AGREEMENT, WITH RESPECT TO KROGER, CO.

WHEREAS, the City of Franklin, Ohio is a municipal corporation formed and organized pursuant to the Constitution and the laws of the State of Ohio;

WHEREAS, the people of the State of Ohio and its local communities have been harmed by misfeasance, nonfeasance and malfeasance committed by certain entities within the Opioid Pharmaceutical Supply Chain;

WHEREAS, the State of Ohio, through its Governor and Attorney General, and its Local Governments share a common desire to abate and alleviate the impacts of that misfeasance, nonfeasance and malfeasance throughout the State of Ohio;

WHEREAS, the State of Ohio, through its Attorney General, and certain Local Governments, through their elected representatives and counsel, are engaged in litigation seeking to hold Opioid Pharmaceutical Supply Chain Participants accountable for the damage caused by their misfeasance, nonfeasance and malfeasance (the "Opioid Lawsuit");

WHEREAS, the State and its Local Governments, subject to completing formal settlement documents resolving the Opioid Lawsuit, drafted a One Ohio Memorandum of Understanding (the "MOU") relating to the allocation and use of proceeds of any potential settlement of the Opioid Lawsuit;

WHEREAS, the purpose of the MOU is to create an effective means of distributing any potential funds obtained in settlement of the Opioid Lawsuit in a manner and through means which promote effective and meaningful use of the funds in abating the opioid epidemic throughout Ohio;

WHEREAS, nothing in the MOU binds any party to a specific outcome in the Opioid Lawsuit, but rather, any proposed resolution under the MOU will require further acceptance thereof by the State of Ohio and the involved Local Governments;

WHEREAS, City Council previously agreed, through the passage of Resolution 2021-58, Resolution 2021-75, and Resolution 2023-12 to settlement proposals presented to the State of Ohio and Local Governments by opioid distributors AmerisourceBergen, Cardinal, McKesson, Janssen/Johnson & Johnson, and Teva, Allergan, CVS, Walgreens, and Walmart to resolve governmental entity claims in the State of Ohio against the aforementioned distributors in accordance with the terms of the MOU and the material terms of the July 21, 2021 proposed National Opioid Distributor Settlement Agreement;

WHEREAS, another settlement proposal has since been presented to the State of Ohio and Local Governments by opioid distributor Kroger, Co. (the "Settling Distributor"), to resolve governmental entity claims in the State of Ohio in accordance with the terms of the MOU and the material terms of the July 21, 2021 proposed National Opioid Distributor Settlement Agreement; and

WHEREAS, City Council has found and determined that the City's agreement to the Proposed Settlements is in the best interests of the public health and welfare of Franklin residents.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Franklin, Ohio, a majority of members present concurring, that:

Section 1. City Council hereby accepts the Proposed Settlements with each of the Settling Distributors in accordance with the terms of the MOU and the material terms of the July 21, 2021 proposed National Opioid Distributor Settlement Agreement..

Section 2. The City Manager is hereby authorized to demonstrate the City's acceptance of the Proposed Settlement by executing all documentation on the City's behalf as may be required to endorse the City's acceptance and support of the Proposed Settlement.

Section 3. It is found that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council that resulted in this formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code and the Rules of Council.

Section 4. This Resolution is hereby declared to be an emergency measure, necessary for the preservation of the peace, health, welfare and safety of the citizens of the City of Franklin. The reason for the emergency is to ensure prompt pursuit of funds to assist in abating the opioid epidemic throughout the State of Ohio.

ADOPTED: June 17, 2024

ATTEST: _____
Khristi Dunn, Clerk of Council

APPROVED: _____
Brent Centers, Mayor

CERTIFICATE

I, the undersigned Clerk of Council for the Franklin City Council, do hereby certify that the foregoing is a true and correct copy of a resolution passed by that body on June 17, 2024.

Khristi Dunn, Clerk of Council