



City of Grass Valley City Council Agenda Action Sheet

Title: Opioid Settlement with Purdue Pharma L.P. and the Sackler Family, Authorizing the City Manager to Execute the Related Participation Agreements, and Granting Authority to the City Manager to Execute and Enter into Future Agreements Related to the Nationwide Opioid Settlements

CEQA: Not a project

Recommendation: Adopt the resolution approving the opioid settlement with Purdue Pharma and the Sackler family, authorizing the City Manager to execute related agreements and to enter into future agreements relating to the nationwide opioid settlements.

Prepared by: David Ruderman, City Attorney

Council Meeting Date: 8/26/2025

Date Prepared: 8/22/2025

Agenda: Administrative

Background: In recent years various states, cities, and counties have sued opioids manufacturers and distributors for their role in the opioid addiction epidemic. Several high-profile, nationwide settlements have been reached between these government entities and the producers, manufacturers, and distributors of opioids. Under the terms of these settlements, the opioid defendants are paying billions of dollars to state and local governments, which the government entities must use to address the opioid addiction epidemic in their communities.

Now, government entities have reached a new settlement with Purdue Pharma L.P. and its owners, the Sackler family. This settlement totals \$7.4 billion and is expected to bring as much as \$440 million dollars over the next 15 years to the State of California. Like prior settlements, the settlement with Purdue and the Sackler family will resolve the legal claims of state and local governments.

Local governments that were not party to the litigation, like the City of Grass Valley, may sign on to receive a share of the settlement proceeds. In doing so, not only will additional funds be directed toward Nevada County, but the total amount of settlement funds available for California increases when the state hits higher percentages of city and county approval. The City of Grass Valley has not yet been allocated a percentage

of the above amount, as settlement case managers are still gathering the necessary information. The funds will be disbursed over the next 15 years.

The City's share of the settlement proceeds are sent by default to the County of Nevada for a coordinated, county-wide remediation effort. However, the City may elect to directly receive the funds. Direct receipt would entail compliance with strict accounting and reporting requirements, including annual written reports regarding the use of funds, tracking of all deposits and expenditures, and state audits. The City does not currently offer opioid abatement services, such as the settlement requires.

Due to the costs of compliance, it is recommended the City participate in the settlement and allow its share to go to the County, as the City did in the past with the Distributor and Janssen (Johnson & Johnson) settlements. If the City does choose to offer such services in the future, it may also choose to receive funds directly.

The City must opt into the settlement by September 30, 2025. Opting in requires release of claims against Purdue Pharma and the Sackler family. If the City takes no action its share of the funds will be allocated to the State of California as opposed to the County. Further, if local governments do not opt in, it will reduce the share of California as a whole.

Staff recommends that the City Council authorize the City Manager to act on their behalf to avoid missing the opportunity to join the settlement. Furthermore, staff recommends the City authorize the City Manager to act and opt into future settlement agreements related to the opioid litigation. Currently, a settlement with eight generic manufacturers is anticipated to need approval by the end of October. Granting the City Manager authorization to opt-in to further settlements will avoid the need to take the generic manufacturer and other future settlements to Council for approval.

Council Goals/Objectives: This item executes portions of work tasks towards achieving/maintaining Strategic Plan - Community Safety

Fiscal Impact: None.

Funds Available: N/A

Account #: N/A

Reviewed by:

Attachments:

Resolution 2025-45