



CITY OF LAKE FOREST PARK

CITY COUNCIL

AGENDA COVER SHEET

| | |
|-------------------------------|---|
| Meeting Date | September 8, 2022 |
| Originating Department | Executive |
| Contact Person | Phillip Hill, City Administrator |
| Title | Resolution 1855 authorizing the Mayor to execute the Allocation Agreement related to the allocation and use of opioid litigation settlement proceeds between the State and eligible cities and counties |

Legislative History

- Action September 8, 2022 Regular Meeting
-

Attachments:

1. Resolution 1855 Authorizing Execution of MOU
 2. Allocation Agreement
-

Executive Summary

This agenda item seeks City Council authorization for the Mayor to execute the Allocation Agreement related to the allocation and use of opioid litigation settlement proceeds between the State and eligible cities and counties.

Background

Multiple states, counties, and cities throughout the nation have brought lawsuits over the last few years against various entities within the pharmaceutical supply chain who manufacture, distribute, and dispense prescription opioids (the "Opioid Distributors"). The State of Washington has now reached a settlement with the Opioid Distributors for up to \$518 million, with more than \$476 million to be directed toward addressing the opioid epidemic, paid over a 17-year period starting in December 2022. The Opioid Distributors settlement includes three separate agreements:

1. Participation Form (this form is needed for the Distributors Washington Settlement to be finalized)

2. One Washington Memorandum of Understanding between the Washington Municipalities (this agreement covers how the settlement funds will be allocated among participating local jurisdictions and has already been approved by the City Council pursuant to Resolution 1845)

3. Allocation Agreement (this agreement covers the split between the State and local jurisdictions)

This agenda bill pertains to the Allocation Agreement.

Washington cities and counties with populations over 10,000 can join this settlement, and if a sufficient number join, they will receive up to \$215 million that must be spent on efforts to combat the opioid epidemic. The proceeds can only be used for approved purposes as outlined in the agreement, such as treatment for opioid use disorder (“OUD”), support for people in treatment and recovery, providing connections to care for people who have—or are at risk of developing—OUD, addressing the needs of persons with OUD in the criminal justice system, training, and research. Local governments can spend the money directly or pool the money with other local governments on a regional basis.

The Allocation Agreement outlines how funds will be split between the State and eligible cities and counties and makes a few amendments to the related One Washington MOU for the Distributors Washington Settlement. While the City could choose not to sign the Allocation Agreement, doing so may result in the City not receiving any of the settlement proceeds.

Fiscal & Policy Implications

Execution of the Allocation Agreement would have no negative impact on the City’s budget and would help ensure that the State is able to meet the participation threshold to effectuate the settlement with the Opioid Distributors. The City’s additional execution of the related One Washington MOU and Participation Form will guarantee that the City receives a portion of the settlement proceeds from the Opioid Distributors; however, the amount is dependent on how many other jurisdictions decide to sign on to the MOU and the ultimate settlement, and is therefore not known at this time.

Staff Recommendation

Adopt Resolution 1855 authorizing the Mayor to execute the Allocation Agreement related to the allocation and use of opioid litigation settlement proceeds between the State and eligible cities and counties.