



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 1854 authorizing the Mayor to execute the Distributors Washington Settlement Participation Form related to the nationwide opioid litigation

Legislative History

- Action September 8, 2022
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Attachments:

1. Resolution 1854 Authorizing Execution of MOU
 2. Distributors Washington Settlement Participation Form
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Executive Summary

This agenda item seeks City Council authorization for the Mayor to execute the Distributors Washington Settlement Participation Form related to the nationwide opioid litigation.

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 participation form.

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. Similar agreements have been reached in almost every other state. No other state (and their local governments) have decided not to approve the national settlement.

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.

In order for the settlement to be finalized, Washington local governments that filed suit against these opioid distributors need to sign the Participation Form releasing their claims and then dismiss them with prejudice, and ninety percent (90%) of Washington local governments with a population of over 10,000 that did not file a lawsuit against the Opioid Distributors (such as the City of Lake Forest Park) need to sign the Participation Form releasing their potential claims. As of August 9, 2022, only 17 of the 125 cities and counties with populations over 10,000 have joined by signing the Participation Form, but if not enough join, the settlement is void and neither the State nor Washington cities or counties will get any settlement money.

While the City could choose not to participate in the settlement and pursue its own claims (if any) against the Opioid Distributors, there is no guarantee of success and doing so would be expensive and without the benefit of coordination with the other participating jurisdictions. Furthermore, if any non-participating jurisdictions file their own claims against the Opioid Distributors, it may result in delays and even potential reductions in payment under the settlement agreement for those jurisdictions that are participating.

Fiscal & Policy Implications

Execution of the Participation Form 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 Allocation Agreement 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 XXXX authorizing the Mayor to execute the Distributors Washington Settlement Participation Form related to the nationwide opioid litigation.