



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 09/02/2025

ITEM NO: 9

DATE: September 2, 2025
TO: Mayor and Town Council
FROM: Gabrielle Whelan, Town Attorney
SUBJECT: **Authorize Town Manager to Take All Necessary Steps and Execute Appropriate Documents to Participate in the Opioid Settlement Agreement with Purdue Pharma and the Sackler Family and Agree to the State Subdivision Agreements**

RECOMMENDATION: Authorize the Town Manager to execute, in substantially the form attached, the State Subdivision Agreement required for participation in the opioid settlement with Purdue Pharma and the Sackler family, and to take any other necessary steps and sign any other required agreements.

FISCAL IMPACT:

Participation in the settlement agreements will provide future settlement funds to the Town. In the earlier opioid settlement, thus far, the Town has received approximately \$128,000 to be used explicitly for opioid abuse prevention activities as outlined in the settlement requirements.

STRATEGIC PRIORITY:

The opioid settlement helps fiscal stability by providing funds to address opioid impacts, and enhances public safety by supporting prevention, treatment, and enforcement efforts that reduce crime and overdoses.

BACKGROUND:

This settlement is arising out of the bankruptcy of Purdue Pharma; each jurisdiction in California with a population greater than 10,000 is eligible to receive settlement funds and must decide

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

whether to participate. The more subdivisions that participate, the greater the amount of funds that will flow to California and participating subdivisions.

The national opioid crisis has significantly impacted communities throughout the United States, including the Town. Settlement agreements have been reached that provide financial resources to local governments to help address the opioid epidemic. In order to participate and receive funds, the Town is required to authorize execution of the necessary documents and agree to the State subdivision agreement no later than September 30, 2025.

The use of the settlement funds is limited to activities to combat opioid abuse and addiction, specifically the uses shown in Attachment 2. There are strict and extensive reporting requirements.

If the Town does not opt into the Settlements, the Town's share will go to the State, but the total amount the State receives may be reduced since the State's allocation is based upon the number of participating cities and counties.

DISCUSSION:

By authorizing the Town Manager to take all necessary steps and execute appropriate documents, the Town will ensure its eligibility to receive settlement funds. These funds will be restricted to uses related to opioid remediation, including treatment, prevention, recovery services, and public education. There are extensive reporting requirements. Town staff anticipates contracting with a non-profit to administer the funds.

Alternatively, the Town can opt to give its share to the County of Santa Clara.

CONCLUSION:

Staff recommends that the Council authorize the Town Manager to execute the settlement agreement on behalf of the Town and to take any other necessary steps for the Town's participation in the settlement, including the execution of additional agreements.

COORDINATION:

This report was prepared in coordination with the Town Attorney's Office, Town Manager's Office, and Police Department.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

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SUBJECT: Opioid Settlement

DATE: September 2, 2025

ATTACHMENTS:

1. Settlement Agreement (<https://nationalopioidsettlement.com/wp-content/uploads/2025/06/7592-Govt-Entity-Direct-Shareholder-Settlement-Agreement-GESA.pdf>)
2. Program Participation Requirements