



**BUSINESS OF THE CITY COUNCIL  
CITY OF MERCER ISLAND**

**AB 6760  
September 2, 2025  
Consent Agenda**

**AGENDA BILL INFORMATION**

|                            |  |   |
|----------------------------|--|---|
| <b>TITLE:</b>              | AB 6760: Authorization to Join Opioid Settlements  | <input type="checkbox"/> Discussion Only<br><input checked="" type="checkbox"/> Action Needed:<br><input checked="" type="checkbox"/> Motion<br><input type="checkbox"/> Ordinance<br><input type="checkbox"/> Resolution |
| <b>RECOMMENDED ACTION:</b> | Authorize the City Manager to execute and submit the necessary participation forms and allocation agreement for the City of Mercer Island to join opioid related settlements with Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, Zydus, Purdue Pharma and the Sackler family. |   |

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| <b>DEPARTMENT:</b>            | City Manager   |
| <b>STAFF:</b>                 | Jessi Bon, City Manager<br>Bio Park, City Attorney   |
| <b>COUNCIL LIAISON:</b>       | n/a  |
| <b>EXHIBITS:</b>              | 1. Participation Forms<br>2. Allocation Agreement IV |
| <b>CITY COUNCIL PRIORITY:</b> | n/a  |

|                               |        |
|-------------------------------|--------|
| <b>AMOUNT OF EXPENDITURE</b>  | \$ n/a |
| <b>AMOUNT BUDGETED</b>        | \$ n/a |
| <b>APPROPRIATION REQUIRED</b> | \$ n/a |

**EXECUTIVE SUMMARY**

The purpose of this agenda bill is to seek authorization for the City of Mercer Island to participate in the national opioid settlements with Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, Zydus, Purdue Pharma and the Sackler family (collectively “Pharmaceuticals”) for claims related to the opioid epidemic.

- Under the settlements with the Pharmaceuticals, the state of Washington and its local governments will receive up to \$122.2 million over 15 years, if all eligible local governments participate and release claims related to the opioid epidemic against the Pharmaceuticals.
- The funds will be split 50/50 between the state and local governments. Mercer Island’s share may be approximately \$107,034 if all eligible jurisdictions participate, and maximum amounts are collected from the Pharmaceuticals.
- Settlement funds allocated to local governments will be further allocated to each participating jurisdiction under the terms of the One Washington MOU Between WA Municipalities (MOU), which has already been signed by the City for previous opioid settlements.
- Settlement funds must be spent on approved purposes to abate and mitigate impacts from the opioid epidemic.

## BACKGROUND

The Washington State Attorney General's Office ("AG's Office") has reached settlements with the Pharmaceuticals for claims related to the opioid epidemic. Under the settlements, the Pharmaceuticals will pay up to \$122.2 million to Washington State and its participating local governments over 15 years. Washington cities and counties with a population over 10,000 can join the settlements. If enough join, local governments will receive up to \$61.1 million that must be spent on efforts to combat the opioid epidemic. The state will also receive \$61.1 million to be spent throughout Washington on combatting the opioid epidemic.

Local governments must spend the settlement money on approved uses, keep records of its spending, file reports with the settlement administrator, and comply with all terms of the national settlements. A local government can either spend the money itself or elect to pool its money with other local governments on a regional basis.

## ISSUE/DISCUSSION

The deadline for local governments to join the settlements with the Pharmaceuticals is September 30, 2025. If every eligible local government does not join, the settlement amount may be reduced. For the City of Mercer Island to join, the City must execute and timely submit the participation forms releasing all of the City's claims related to the opioid epidemic against the Pharmaceuticals.

Settlement funds will be allocated between the state and local governments, and amongst local governments, per the terms of (1) Allocation Agreement IV and (2) One Washington MOU. One Washington MOU has already been signed by the City for previous opioid settlements, and it serves as the foundation for Allocation Agreement IV for the settlements with the Pharmaceuticals. See [AB 6241](#). Under Allocation Agreement IV (as with allocation agreements for previous opioid settlements), the settlement funds will be split evenly with the state receiving 50% (\$61.1 million) and eligible local governments as a group receiving 50% (\$61.1 million).

Terms of the One Washington MOU will be used to split the local government portion of the settlement funds among eligible local governments participating in the settlements. Under the MOU, settlement funds are allocated based on the formula used in prior opioid litigations in other states. The formula as applied to the City of Mercer Island is described and explained in [AB 6070](#), and it is estimated that the City's share of settlement funds may be approximately \$107,034 for 15 years, if all eligible jurisdictions participate and the maximum settlement amount is collected from the Pharmaceuticals.

Settlement funds may only be used for approved purposes. Approved purposes relate to abating and mitigating impacts of the opioid epidemic. Examples include programs to treat and prevent opioid use disorder and impacts therefrom (similar to programs offered by YFS); programs to support those in recovery; assistance to criminal justice system in dealing with opioid related crimes; training first responders and law enforcement officers on responding to opioid emergencies; and purchase of medication and supplies to combat overdose.

## NEXT STEPS

Once participation in the settlements is authorized by the City Council, participation forms and Allocation Agreement IV signed by the City Manager will be submitted by the September 30, 2025 deadline.

## **RECOMMENDED ACTION**

Authorize the City Manager to execute and submit the necessary participation forms and allocation agreement, substantially in the form attached as Exhibits 1 and 2 to this AB, for the City of Mercer Island to join opioid related settlements with Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, Zydus, Purdue Pharma and the Sackler family.