



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

**AB 6149
September 20, 2022
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6149: Opioid Distributors Washington Settlement	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Authorize the City Manager to Sign the Opioid Distributors Washington Settlement Participation Form and Allocation Agreement	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager Bio Park, City Attorney
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Participation Form 2. Allocation Agreement 3. One Washington MOU
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda bill is to present the [Participation Form](#) (Exhibit 1) and [Allocation Agreement](#) (Exhibit 2) for the [Opioid Distributors Washington Settlement Agreement](#) (“Settlement Agreement”).

- Signing the Participation Form joins the City of Mercer Island in the \$518 million Settlement Agreement reached by the Washington State Attorney General’s Office with McKesson Corp., Cardinal Health Inc., and AmerisourceBergen Drug Corp. (“Opioid Distributors”) for claims related to the opioid epidemic.
- The Allocation Agreement sets forth the terms under which the settlement funds will be split between the state and local governments.
- 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 the City has already signed onto (Exhibit 3).
- The City’s share of settlement funds is estimated to be around \$320,000 paid over 17 years, assuming all eligible jurisdictions participate, and the maximum settlement amount is collected by the State from Opioid Distributors.

BACKGROUND

The State of Washington (“State”) reached a settlement with the Opioid Distributors for up to \$518 million after a 6-month trial. More than \$476 million will be directed toward addressing the opioid epidemic. This money will be paid over 17 years.

Washington cities and counties with a population over 10,000 can join this settlement. If a sufficient number join, they will receive up to \$215 million that must be spent on efforts to combat the opioid epidemic. The State will receive approximately \$261 million to be spent throughout the state on combatting the opioid epidemic.

Local governments must spend the settlement money on approved uses, must keep records of its spending, must file reports with the settlement administrator, and must comply with all terms of the Washington and National Distributor Settlements. A city or county 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 Settlement Agreement is September 23, 2022. If not enough local governments join, the Settlement Agreement will be void. Two things need to happen for the Settlement Agreement to be finalized:

- (1) All Washington local governments that filed suit against the Opioid Distributors need to sign the attached Participation Form releasing their claims and then dismiss them with prejudice.
- (2) Ninety percent (90%) of local governments with a population of over 10,000 that did not file a lawsuit against the Opioid Distributors need to sign the Participation Form releasing their potential claims.

Because the City of Mercer Island did not file suit, its participation will count towards the 90% described above in (2) that must be reached.

The Allocation Agreement is the agreement between the State and eligible local governments to split the settlement funds. The One Washington MOU is the agreement splitting the money between the local governments. Under the MOU, settlement funds will be 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 will be around \$320,000 paid over 17 years, if all eligible jurisdictions participate and the maximum settlement amount is collected by the State from Opioid Distributors.

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 Settlement Agreement is authorized, signed copies of the Participation Form and Allocation Agreement will be submitted to the State Attorney General's Office by the September 23, 2022 deadline.

RECOMMENDED ACTION

Authorize the City Manager to sign and submit the Opioid Distributors Washington Settlement Participation Form and Allocation Agreement, substantially in the form attached as Exhibits 1 and 2 to AB 6149, respectively.