



CITY COUNCIL COMMUNICATION

DATE: August 21, 2025

FROM: John Noblitt, City Manager

AGENDA ITEM: Consideration and possible action on Resolution No. 2025-13, Authorizing the City Manager to enter into the Purdue settlement and authorizing the submission of the subdivision participation and release form regarding the Purdue settlement and full release of all claims.

SUMMARY:

- The proposed Purdue (and Sackler family) settlement is actually two settlements being implemented in connection with Purdue's bankruptcy proceedings. It consists of a settlement of Purdue's claims against the Sacklers (the "Estate Settlement") to be distributed pursuant to a chapter 11 bankruptcy plan, and a settlement of direct claims against the Sacklers held by States, local governments and other creditors (the "Direct Settlement").
- The Purdue Pharma bankruptcy case, after being overturned by the Supreme Court in 2024, has been revised to remove the non-consensual third-party releases that shielded the Sackler family (Purdue's former owners) from liability claims related to the opioid crisis. Previously, the plan sought to discharge claims against the Sacklers, who were not debtors in the bankruptcy, without the consent of affected claimants.
- Certain eligible Texas subdivisions, including the City of Sanger, have received (attached) a ballot to vote on the Chapter 11 plan that includes the Estate Settlement. Voting on the plan is separate from participation in the Direct Settlement, and eligible subdivisions must separately (1) vote in the bankruptcy and (2) join the Direct Settlement in order to receive the benefits of both.
- This revised plan attempts to address the legal and ethical concerns surrounding non-consensual third-party releases, while still providing compensation to victims and funding for opioid crisis abatement efforts.

FISCAL INFORMATION:

Budgeted: N/A

Amount: \$0.00

GL Account: N/A

RECOMMENDED MOTION OR ACTION:

Special Legal Counsel recommends that its client cities approve participation in the Purdue settlement.

ATTACHMENTS:

Resolution with exhibit.