



21-0827

TITLE: Consider/Discuss/Act on a Resolution Authorizing the City of McKinney to Participate in the Proposed Opioids Settlements Brought by the State of Texas and Other Jurisdictions Against Various Pharmaceutical Companies for their Roles in the National Opioid Crisis, and Authorizing the City Manager to Execute Documents Related Thereto

COUNCIL GOAL: Operational Excellence

MEETING DATE: September 21, 2021

DEPARTMENT: City Manager's Office

CONTACT: Paul G. Grimes, City Manager

RECOMMENDED CITY COUNCIL ACTION: Staff recommends approval of a resolution authorizing the City of McKinney to participate in the proposed opioids settlements brought by the state of Texas and other jurisdictions against various pharmaceutical companies for their roles in the national opioid crisis and authorize the City Manager to execute documents related thereto.

ITEM SUMMARY: The amount estimated by the Attorney General's Office to be paid to the City is \$450,383.00, paid over an 18-year period, with the majority of proceeds to be received in the first several years of that period. The attached resolution expresses the City's intent to participate in the settlements and to accept the settlement terms. Upon adoption, the resolution will be forwarded to the Attorney General's Office.

BACKGROUND INFORMATION: The State of Texas, through the Attorney General's Office, along with a broad coalition of states and political subdivisions from across the country, sued three major opioid distributors, McKesson, Cardinal Health and Amerisource Bergen, along with an opioid manufacturer, Johnson & Johnson, for their role in the national opioid crisis. The purpose of the litigation was for governmental entities to recover costs incurred in combatting opioid use, including drug rehabilitation and treatment costs, hospitalization costs, and law enforcement costs, among others.

As a result of the litigation, all three opioid distributors and opioid manufacturer Johnson & Johnson reached a final settlement with Texas and the other jurisdictions. Texas'

combined share of the settlements is approximately \$1.5 billion, and Texas municipalities can participate in the settlement if they elect to take part. If any city elects not to participate, that city would be required to institute its own litigation against the opioid distributors and/or manufacturers. The Attorney General's Office has requested that McKinney and other Texas local governments elect to participate in the settlements, and to express its intent in a resolution by the City Council.

FINANCIAL SUMMARY:

N/A

BOARD OR COMMISSION RECOMMENDATION:

N/A

SUPPORTING MATERIALS:

[Resolution](#)

[Settlement Allocation Term Sheet](#)

[Subdivision Settlement Participation Form](#)