THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: June 8, 2021

Subject: MOA regarding Settlement of National Opioid Litigation

Staff Resource(s): Brad Branham, City Attorney

Action Requested: Approval of a Memorandum of Agreement between the State of North Carolina and local governments on proceeds relating to the settlement of opioid litigation.

Background:

- The opioid epidemic has taken the lives of more than 16,000 North Carolinians, and was fueled by irresponsible marketing and inadequate monitoring on the part of opioid makers and distributors.
- Settlements with the big three drug distributors and Johnson & Johnson, and a resolution of the Purdue Pharma bankruptcy proceedings, have the potential to bring as much as $850 million to North Carolina over an 18-year period to support state and local efforts to address the epidemic.
- For our state to receive the maximum payout under any national settlements, all 100 counties, and all large and medium-sized municipalities – would have to sign onto the NC MOA.
- Under the proposed settlement structure, Asheville could receive approximately $16 Million in settlement funds to address the opioid epidemic locally.

Council Goal(s):

- A Financially Resilient City

Committee(s):

- None

Pro(s):

- Allows the City to take part in, and share in the proceeds of, a potential national opioid settlement to provide funding to combat the epidemic locally.

Con(s):

- None.

Fiscal Impact:

- Potential to receive approximately $16 Million over 18 years as part of proposed settlement.

Suggested Motion:

- Motion to approve Asheville joining in a Memorandum of Agreement between the State of North Carolina and other local governments on proceeds relating to the settlement of opioid litigation.

Attachment(s)

- Resolution

RESOLUTION NO. 21-_____

RESOLUTION BY THE CITY OF ASHEVILLE APPROVING THE MEMORANDUM OF AGREEMENT BETWEEN THE STATE OF NORTH CAROLINA AND LOCAL GOVERNMENTS ON PROCEEDS RELATING TO THE SETTLEMENT OF OPIOID LITIGATION

WHEREAS, as of 2019, the opioid epidemic had taken the lives of more than 16,500 North Carolinians, torn families apart, and ravaged communities from the mountains to the coast; and

WHEREAS, the COVID-19 pandemic has compounded the opioid crisis, increasing levels of drug misuse, addiction, and overdose death; and

WHEREAS, the Centers for Disease Control and Prevention estimates the total "economic burden" of prescription opioid misuse alone in the United States is $78.5 billion a year, including the costs of healthcare, lost productivity, addiction treatment, and criminal justice involvement; and

WHEREAS, The City of Asheville has been severely impacted locally by the opioid epidemic, and continues to suffer the loss of lives, livelihoods, and more as a result of this crisis; and

WHEREAS, certain counties and municipalities in North Carolina joined with thousands of local governments across the country to file lawsuit against opioid manufacturers and pharmaceutical distribution companies and hold those companies accountable for their misconduct; and

WHEREAS, representatives of local North Carolina governments, the North Carolina Association of County Commissioners, and the North Carolina Department of Justice have negotiated and prepared a Memorandum of Agreement (MOA) to provide for the equitable distribution of any proceeds from a settlement of national opioid litigation to the State of North Carolina and to individual local governments; and

WHEREAS, Local Governments and the State of North Carolina anticipate a settlement in the national opioid litigation to be forthcoming; and

WHEREAS, by signing onto the MOA, the state and local governments maximize North Carolina’s share of opioid settlement funds to ensure the needed resources reach communities, once a negotiation is finalized, as quickly, effectively, and directly as possible; and

WHEREAS, it is advantageous to all North Carolinians for local governments, including the City of Asheville and its citizens, to sign onto the MOA and demonstrate solidarity in response to the opioid epidemic, and to maximize the share of opioid settlement funds received both in the state and local governments to help abate the harm; and

WHEREAS, the MOA directs substantial resources over multiple years to local governments on the front lines of the opioid epidemic while ensuring that these resources are used in an effective way to address the crisis.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ASHEVILLE THAT:

The City of Asheville hereby approves the Memorandum of Agreement Between the State of North Carolina and Local Governments on Proceeds Relating to the Settlement of Opioid Litigation, and any subsequent settlement funds that may come into North Carolina as a result of the opioid crisis. Furthermore, the City of Asheville authorizes the City Manager to take such measures as necessary to comply with the terms of the MOA and receive any settlement funds, including executing any documents related to the allocation of opioid settlement funds and settlement of lawsuits related to this matter.

BE IT FURTHER RESOLVED THAT:

Copies of this resolution and the signed MOA be sent to The North Carolina Department of Justice as well as forwarded to the N.C. League of Municipalities.

Read, approved and adopted this 8th day of June, 2021.

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CITY CLERK MAYOR

APPROVED AS TO FORM:

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CITY ATTORNEY