



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

December 16, 2020

DEPARTMENT:

City Attorney

DIVISION:

- ☒ Motion
- ☐ Resolution
- ☐ Ordinance - Introduction
- ☐ Ordinance - Adoption
- ☐ Public Hearing

TITLE:

Ratification of Agreement: One Arizona Opioid Settlement Memorandum of Understanding

SUMMARY RECOMMENDATION:

Ratify the One Arizona Opioid Settlement Memorandum of Understanding between the State of Arizona and Arizona counties, cities and towns, establishing the terms upon which a potential settlement of the ongoing litigation against the opioid industry may be structured. (City Attorney) (Richard Files)

REPORT:

State and local governments across the country have been litigating against the opioid industry in response to the industries' alleged unethical and illegal practices. The State of Arizona now has an opportunity to settle with some of the opioid manufacturers and distributors and secure financial resources to help address some of the devastation the opioid crisis has caused to Arizona communities.

As a step towards facilitating a resolution with the opioid defendants, the State of Arizona and all 15 Arizona counties have agreed to the One Arizona Opioid Settlement Memorandum of Understanding (the "One Arizona Plan" or "MOU"). This MOU provides a framework for distributing opioid settlement funds throughout the State of Arizona.

The MOU establishes, among other things, that any settlement obtained by the State of Arizona shall be distributed to the State and affected political subdivisions as follows:

- The State of Arizona shall receive 44% of all settlement proceeds while 56% of the settlement proceeds will be distributed to participating local governments.
- The 56% distribution to participating local governments results in a 2.008% share of the 56% distribution (less costs of litigation paid by the local government share) being allocated to the Yuma County local governments (Maricopa County receives a 57.930% share of the proceeds, while Greenlee County will receive only a 0.090 share of the settlement proceeds allocated to Arizona Counties)

- In Yuma County, there are 5 participating local governments and the breakdown of the settlement proceeds result in the following: of the 2.008% of 56% of any settlement, Yuma County will receive 66.03%, the City of Yuma will receive 26.32%, the City of San Luis will receive 4.80%, the Town of Somerton will receive 2.24% and the Town of Wellton will receive .61%.

It is uncertain as to what actual amounts, if any, may result from any settlements. The City of Yuma is not required to expend any money in connection with the MOU. Approving this motion ratifies the City's agreement to this proposed settlement structure.

The One Arizona Opioid Settlement Memorandum of Understanding aligns with City Council's Vision and strategic outcomes as it relates to Safe and Prosperous. Approval of this agreement allows the City to join the State of Arizona and local jurisdictions in an agreement fighting the opioid crisis as all settlement funds must be used in opioid prevention, education, treatment and remediation.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP: \$0.00	
	TOTAL:	\$0.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK:			
	1. 2. 3. 4. 5.			
ADDITIONAL INFORMATION	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?			
	<input checked="" type="radio"/> Department <input type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded <input type="checkbox"/> Document to be codified			
SIGNATURES	CITY ADMINISTRATOR:			DATE:
	Philip A. Rodriguez			12/10/2020
	REVIEWED BY CITY ATTORNEY:			DATE:
	Richard W. Files (Electronic Signature)			12/8/2020
	RECOMMENDED BY (DEPT/DIV HEAD):			DATE:
SIGNATURES	WRITTEN/SUBMITTED BY:			DATE:
	Richard W. Files			12/8/2020