

RESOLUTION NO. 174-2021

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS
AUTHORIZING THE CITY MANAGER TO SIGN THE OPIOID SUBDIVISION
SETTLEMENT PARTICIPATION FORM AND ADOPT THE TEXAS TERM SHEET
REGARDING THE TEXAS ATTORNEY GENERAL GLOBAL OPIOID SETTLEMENT
AGREEMENT**

WHEREAS, the State of Texas, along with many other states and subdivisions, has reached a final agreement with four companies to resolve legal claims against them for their role in the opioid crisis; and

WHEREAS, one agreement is with opioid manufacturers Johnson & Johnson, and the other is with three major pharmaceutical distributors: AmerisourceBergen, Cardinal Health, and McKesson; and

WHEREAS, the two agreements provide for \$26 billion in payments over 18 years, with \$23.9 billion available for opioid abatement and significant amounts front loaded, and funding will be distributed to states according to the allocation agreement reached among the Attorneys General; and

WHEREAS, subdivisions, including the City of Abilene, can only participate in the agreement if their state participates, and the State of Texas has already agreed to participate; and

WHEREAS, Texas' combined share is almost \$1.5 billion: \$1.17 billion from the distributors and \$268 million from J&J; and

WHEREAS, both agreements contain industry-changing injunctive terms, wherein the distributors will be subject to more oversight and accountability, including independent monitoring, to prevent deliveries of opioid to pharmacies where diversion and misuse occur, and they will be required to establish and fund an independent clearinghouse to track opioid distribution nationwide and flag suspicious orders; and

WHEREAS, J&J will be prohibited from selling or promoting opioids; and

WHEREAS, to adopt the settlement and allocation schedule, the City of Abilene must sign the Subdivision Settlement Participation form and adopt the Texas Term Sheet and its intrastate allocation schedule by January 2, 2022; and

WHEREAS, the Texas Attorney General has represented to the City of Abilene that if the State of Texas receives the maximum amount under the terms of the Settlement Agreement, the City of Abilene could receive up to \$688,208.50 in direct payments from the distributors and J&J, although it is anticipated that the direct payments to Abilene will be less than the maximum amount.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Part 1: That the City Council hereby adopts the Texas Term Sheet regarding the Texas Attorney General's Global Opioid Settlement Agreement.

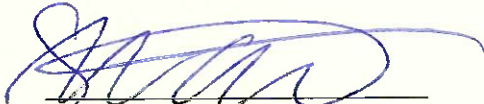
Part 2: That the City Council authorizes the City Manager to sign the Opioid Subdivision Settlement Participation Form regarding the opioid settlement agreement, to adopt the Texas Terms Sheet, and to execute any further documents necessary to participate in the Texas Attorney General's Global Opioid Settlement Agreement.

Part 3: That the City Council authorizes the City Manager to use the funds paid to the City of Abilene pursuant to the settlement agreement for any purposes consistent with the requirements of the settlement agreement.

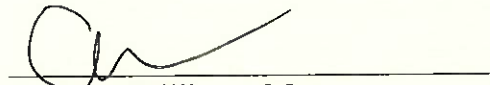
Part 4: That this Resolution becomes effective immediately upon adoption.

ADOPTED this 28th day of October, 2021.

ATTEST:



Shawna Atkinson
City Secretary



Anthony Williams, Mayor

APPROVED:



Stanley Smith, City Attorney

