



CITY OF NOVI CITY COUNCIL
AUGUST 28, 2023

SUBJECT: Approval of participating in the National Opioid Litigation settlements with Walgreens, agreeing to the terms of the settlements and the release of claims against the company named in the litigation, agreeing that the funds will be used for opioid remediation and authorizing the City Manager to take such further action as is necessary to receive the settlement funds.

SUBMITTING DEPARTMENT: City Manager

BACKGROUND INFORMATION:

After several years of negotiation, nationwide settlements relating to the distribution and sale of opioids, have been reached against three national pharmacies, CVS, Walgreens, and Walmart and against two pharmaceutical companies, Teva Pharmaceutical Industries and AbbVie/Allergan. The settlements require the companies to pay up to \$16.5 billion dollars over 15 years.

The Michigan Attorney General's Office previously agreed to participate in each of these settlements, except for the settlement with Walgreens. Now Michigan has agreed to participate in the settlement agreement with Walgreens and has negotiated an agreement with the Litigating Subdivisions.

Any funds received from the settlements must be spent on opioid remediation, which is defined in the settlement agreements. However, if a majority of governments that sued the companies do not accept the settlements, the proposed deals will fail, and litigation will continue. The four proposed settlements require the participating subdivisions to agree to the settlement terms.

The Walgreens settlement, like the other settlements requires:

- i) An agreement to the terms of the settlements;
- ii) A release of claims;
- iii) An agreement that monies received can only be spent on opioid remediation;
- iv) A consent to the jurisdiction of the Court where the Settlement Judgment is filed.

RECOMMENDED ACTION: Approval of participating in the National Opioid Litigation settlements with Walgreens, agreeing to the terms of the settlements and the release of claims against the company named in the litigation, agreeing that the funds will be used for opioid remediation and authorizing the City Manager to take such further action as is necessary to receive the settlement funds.

**RESOLUTION APPROVING OPTING-IN TO THE NATIONAL OPIOID LITIGATION
SETTLEMENT WITH WALGREENS**

**City of Novi
County of Oakland, Michigan**

**Minutes of a Meeting of the City Council of the City of Novi, County of Oakland,
Michigan, held in the City Hall of said City on _____, 2023, at 7:00 P.M. Prevailing
Eastern Time.**

PRESENT: Councilmembers _____

ABSENT: Councilmembers _____

**The following preamble and Resolution were offered by Councilmember
_____ and supported by Councilmember _____.**

RECITALS:

WHEREAS, After several years of negotiation, nationwide settlements relating to the distribution and sale of opioids, have been reached against three national pharmacies, CVS and Walmart and against two pharmaceutical companies, Teva Pharmaceutical Industries and AbbVie/Allergan. These settlements are in addition to the settlements previously approved in 2021 with distributors, McKesson, Cardinal Health and AmerisourceBergen and one manufacturer, Janssen Pharmaceuticals, Inc., and its parent company Johnson & Johnson. The settlements require the companies to pay up to \$16.5 billion dollars over 15 years. The settlement payments are primarily earmarked for participating states and state subdivisions to remediate and abate the impacts of the opioid crisis and also include the payment of attorney fees for subdivisions that hired counsel to sue these companies on their behalf. ("Litigating Subdivisions")

WHEREAS, The settlements place numerous requirements on the companies to implement safeguards to prevent the over distribution and sale of opioids. The Michigan Attorney General's Office previously agreed to participate in each of these settlements, except for the settlement with Walgreens. Now Michigan has agreed to participate in the settlement agreement with Walgreens and has negotiated an agreement with the Litigating Subdivisions.

WHEREAS, The City has received notice that it is eligible to participate in the Walgreens settlement if it agrees to the settlement terms. .

WHEREAS, Any funds received from the settlements must be spent on opioid remediation, which is defined in the settlement agreements.

WHEREAS, The Walgreens settlement, like the other settlements requires : i) an agreement to the terms of the settlement; ii) a release of claims; iii) an agreement that monies received can only be spent on opioid remediation and; iv) a consent to the jurisdiction of the Court where the Settlement Judgment is filed.

NOW, THEREFORE, BE IT RESOLVED that:

1. The City of Novi elects to participate in the Walgreens settlement.
2. The City of Novi agrees to the terms of the Walgreen's settlement, a Release of Claims against Walgreens, the funds received from the settlement will be spent on opioid remediation, as defined in the settlements, and consents to the jurisdiction of the Court where the Settlement Judgment is filed.
3. The City of Novi authorizes the City Manager to opt-in to the Walgreens settlement, consent to the terms of the settlement and take such further action as is necessary to receive the settlement funds.
4. The election, agreement, and authorization in this Resolution are subject to completion of all other necessary actions by the Court and the other parties required to finalize the settlement as described herein.

AYES:

NAYS:

RESOLUTION DECLARED ADOPTED.

Cortney Hanson, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held this ____ day of ____2023.

Cortney Hanson, City Clerk
City of Novi