



Cover Memorandum/Staff Report

File #: 24-1410

Agenda Date: 11/19/2024

Item #: SP.1.

TO: Mayor and Commissioners
FROM: Jeffrey L. Oris, CEcD
THROUGH: Terrence R. Moore, ICMA-CM
DATE: November 19, 2024

CONSIDERATION OF OPIOID LITIGATION SETTLEMENT FUNDS POLICY

Recommended Action:

Discuss and consider approval of proposed Opioid Litigation Settlement Funds Policy.

Background:

The City of Delray Beach, in addition to other municipalities and counties located throughout the State of Florida, has experienced the devastating effects of the opioid epidemic which arose as a result of the manufacture, distribution, and over-prescribing of opioid analgesics and resulted in opioid overdoses, addictions, and in many cases, death. In response to this epidemic, and to hold manufacturers and distributors of prescription opioids accountable for their respective contributions to the opioid crisis, legal action was filed by the State of Florida and a number of Florida cities and counties seeking damages from the resulting opioid epidemic. As a result of the Opioid Litigation, several named defendants agreed to payment of proceeds to settle various claims, much of which will be distributed over multiple years as part of a global settlement. The City of Delray Beach is expected to receive distributions from the Opioid Litigation settlements according to the following chart:

Anticipated Opioid Settlement Funds For the City of Delray Beach (*denotes actual funds received)

| <u>Fiscal Year</u> | <u>Amount</u> |
|---------------------------|----------------------|
| 2022-23* | \$ 75,093.36 |
| 2023-24 | \$164,461.91 |
| 2024-25 | \$ 88,533.55 |
| 2025-26 | \$ 91,785.34 |
| 2026-27 | \$ 64,468.31 |
| 2027-28 | \$ 84,011.18 |
| 2028-29 | \$ 90,820.15 |
| 2029-30 | \$ 92,441.33 |
| 2030-31 | \$ 92,441.33 |
| 2031-32 | \$ 85,193.49 |
| 2031-33 | \$ 77,743.27 |
| 2033-34 | \$ 71,995.37 |
| 2034-35 | \$ 78,227.10 |
| 2035-36 | \$ 78,227.10 |
| 2036-37 | \$ 78,227.10 |

| | |
|----------------|---------------------|
| 2037-38 | \$ 68,985.06 |
| 2038-39 | \$ 68,985.06 |
| <u>2039-40</u> | <u>\$ 30,868.67</u> |

TOTAL FUNDS ANTICIPATED = \$1,482,508.68

In order to have an orderly consideration of the use of funds from the settlement, the City needs to have an adopted policy on how it will utilize these funds. The proposed policy, utilizing a similar format as adopted by other communities, essentially mirrors the settlement on the potential uses of funds, as well as creating the Opioid Settlement Advisory Committee (OSAC) to make recommendations to the City Commission as to the intended use of funds for each each year and to assist in recommending potential grants awards should the Commission utilize settlement funds to pass funds along to outside agencies. Under this policy, the OSAC recommends uses, however, the City Commission remains the final determiner of how funds will be used or to whom they are granted.

Note: the City Commission previously had some discussion regarding utilizing any advisory Committee created for the Opioid Settlement Funds to possibly serve to advise them on the expenditure of Caron Foundation Settlement Funds. While this can be done, it is best that we formulate a policy for the Caron funds separate from the Opioid Litigation Settlement Policy.

Funding Source/Financial Impact:

N/A

Timing of Request:

A policy is required in order to begin expending funds.