NOTICE OF A SPECIAL SESSION
OF THE VINEYARD CITY COUNCIL
December 30, 2021 at 10:00 AM

Public Notice is hereby given that the Vineyard City Council will hold a special session on Thursday December 30, 2021, at 10:00 am. This meeting will be held electronically, but the public is welcome to attend in person at our anchor location in the City Council Chambers at 125 South Main Street, Vineyard, Utah. This meeting can be viewed on our live stream page.
This meeting can also be viewed live through Zoom. Please click this link https://us06web.zoom.us/j/89153894377?pwd=Y1l4dExWanF5NWZ2cTUvZTRVcldXQT09 or dial 669.900.6833 or 253.215.8782.

AGENDA

1. **CALL TO ORDER/INVOCATION/INSPIRATIONAL THOUGHT/PLEDGE OF ALLEGIANCE – *to be announced.***

2. **BUSINESS ITEMS**
   2.1 DISCUSSION AND ACTION – Opioid Settlement Participation (Resolution 2021-25)
   The mayor is requesting approval of a resolution authorizing the City's participation in settlements with Pharmaceutical Distributors and Janssen (Johnsons And Johnson) to abate the opioid epidemic. The mayor and City Council will act to adopt (or deny) this request by resolution.

3. **ADJOURNMENT**

This meeting may be held in a way that will allow a councilmember to participate electronically.

The next regularly scheduled meeting is January 12, 2022

The Public is invited to participate in all City Council meetings. In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the City Clerk/Recorder at least 24 hours prior to the meeting by calling (801) 226-1929.

I the undersigned duly appointed Recorder for the city of Vineyard, hereby certify that the foregoing notice and agenda was emailed to the Salt Lake Tribune, posted at the Vineyard City Hall, the Vineyard website, the Utah Public Notice website, delivered electronically to city staff and to each member of the Governing Body.

AGENDA NOTICING COMPLETED ON: December 28, 2021

CERTIFIED (NOTICED) BY: /s/ Pamela Spencer
PAMELA SPENCER, CITY CLERK/RECORDER

VINEYARD
STAY CONNECTED

VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: 12.30.2021

Agenda Item: 2.1 Opioid Settlements Participation

Department: Administration

Presenter: Mayor Fullmer

Prepared by: City Recorder Pamela Spencer

Background/Discussion:
Various states and local governments have been engaged in opioid epidemic mitigation litigation against the three largest pharmaceutical distributors of opioids, McKesson, Cardinal Health and AmerisourceBergen, and one manufacturer, Janssen Pharmaceuticals, Inc. and its parent company Johnson & Johnson. After many years of negotiations, those states and local governments have reached nationwide settlements with the Distributors and Janssen. In addition to certain injunctive relief provisions, the settlements require the Distributors and Janssen to pay at total of $26 billion dollars to abate the opioid epidemic. The settlements have been structured to apportion a larger amount of the Settlement Funds to states whose local governments participate in the Settlements at a higher rate. The State of Utah has joined the settlements and has requested that other Utah state local governments also participate in the settlements. The City has not initiated its own litigation against the distributors and manufacturer. The City may not receive direct funds from the settlements but the tragic and ill-effects of the opioid crisis are present in Vineyard's community and staff urges the City Council to consider participating in the settlements in order to maximize the amount of settlement money being paid to local governments in the State of Utah.

Fiscal Impact: N/A

Recommendation:
Staff recommends that the Vineyard City Council pass a Resolution authorizing the city of Vineyard to Participate in Settlements with Distributors and Janssen to Abate the Opioid Pandemic.

Sample Motion:
"I move to adopt Resolution 2021-25 as presented."

Attachments:
Resolution
Notice from the Utah Attorney General's Office

RESOLUTION NO. 2021-25

A RESOLUTION OF THE VINEYARD CITY COUNCIL AUTHORIZING THE CITY'S PARTICIPATION IN SETTLEMENTS WITH PHARMACEUTICAL DISTRIBUTORS AND JANSSEN (JOHNSONS AND JOHNSON) TO ABATE THE OPIOID EPIDEMIC

WHEREAS various states and local governments have been engaged in opioid epidemic mitigation litigation against the three largest pharmaceutical distributors of opioids, McKesson, Cardinal Health and AmerisourceBergen (the "Pharmaceutical Distributors") and one manufacturer, Janssen Pharmaceuticals, Inc., and its parent company Johnson & Johnson ("Janssen"); and

WHEREAS after many years of negotiations, those states and local governments have reached nationwide settlements with the Pharmaceutical Distributors and Janssen (the settlements with the Distributors and Janssen are collectively referred to herein as the "Settlements"); and

WHEREAS in addition to certain injunctive relief provisions, the Settlements require the Pharmaceutical Distributors and Janssen to pay at total of $26 billion dollars to abate the opioid epidemic (the "Settlement Funds"). Of this amount, $22.7 billion has been earmarked for use by participating states and local governments to remediate and abate the impacts of the opioid crisis; and

WHEREAS the Settlements have been structured to apportion a larger amount of the Settlement Funds to states whose local governments participate in the Settlements at a higher rate; and

WHEREAS the State of Utah has joined the Settlements has encouraged other local governmental entities within the state to participate in the Settlements as well. See Notice from the Utah Attorney General's Office attached hereto as Exhibit A; and

WHEREAS Vineyard City has not initiated its own litigation against the Pharmaceutical Distributors or Janssen; and

WHEREAS the Vineyard City Council acknowledges it may not receive direct funds from the Settlements but nevertheless recognizes the tragic and ill-effects of the opioid crisis in the community, throughout the State of Utah, and the nation, and acknowledges that the City's participation in the Settlements will maximize the amount of Settlement Funds being paid to abate the opioid epidemic within the state of Utah; and

WHEREAS the Vineyard City Council finds that participating in the Settlements promotes the health, safety, and welfare of the residents of the Vineyard City and the surrounding communities.

NOW, THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF VINEYARD, UTAH AS FOLLOWS:

Part I.

1. The Vineyard City Council hereby authorizes Vineyard, Utah to participate in the nationwide Settlements with the Pharmaceutical Distributors and Janssen.

2. The Vineyard City Council hereby authorizes the City Administrator and City Attorney to take all necessary steps and to sign and execute any agreements or documentation required to effectuate the City's participation in the Settlements.

Part II:
This Resolution shall be effective immediately upon its passage and posting as provided by law.

PASSED, APPROVED, AND MADE EFFECTIVE by the City Council of Vineyard, Utah, this 30 day of December 2021.

____
Mayor Julie Fullmer

ATTEST:

____
City Recorder Pamela Spencer

Exhibit A

SALT LAKE CITY — Utah Attorney General Sean D. Reyes today announced a historic $26 billion agreement that will help bring desperately needed relief to people across the country who are struggling with opioid addiction. The agreement includes Cardinal, McKesson, and AmerisourceBergen – the nation's three major pharmaceutical distributors – and Johnson & Johnson, which manufactured and marketed opioids. The agreement also requires significant industry changes that will help prevent this type of crisis from ever happening again. The agreement would resolve investigations and litigation over the companies' roles in creating and fueling the opioid epidemic.

Utah's portion of the settlement is 1.1889%, for a total of $309,114,000 to be paid over 18 years.

Utah Attorney General Sean Reyes said: "This is a reckoning long overdue. It has taken us years of hard-fought investigation, prosecution and negotiation to arrive at this landmark settlement. But that is nothing compared to the years of suffering from so many in our state."

"The opioid epidemic has torn apart families and needlessly killed thousands of Utahns," said AG Reyes. "It continues to ravage lives every day. Families across our state have shared with me their heart-wrenching stories about loved ones struggling with the horrible disease of addiction or who have overdosed and died."

"On their behalf, it has been my genuine honor to fight back and hold these and other companies accountable for helping to create and fuel this crisis. No amount of money will compensate for even a single life lost. But this settlement would force defendants to pay a historic amount for much-needed treatment and recovery services in Utah along with programs to prevent future addiction and heartache," Reyes added.

"Perhaps, most importantly, this puts an end to the business practices and conduct by defendants that brought us to this tragic point. I'm proud of the very bi-partisan and collaborative work among states. America may seem divided in many ways, but this reaffirms our tradition of coming together during disasters and when our nation is under siege, Reyes said."

"The impacts of the opioid epidemic have been and continue to be devastating to thousands of Utahns and their families, so I appreciate the Department of Commerce and the Attorney General's Office negotiating these settlements on behalf of Utah," Gov. Cox said. "I look forward to working with the Legislature to determine the best use of these funds to benefit Utah citizens affected by the opioid crisis."

"These companies failed to protect consumers from the dangers of opioids, even when they claimed to have systems in place to do so," said Margaret Busse, executive director of the Department of Commerce. "While the harm to individuals and families in Utah and across the country cannot be quantified, these settlements play an important role in holding these companies accountable for their misconduct. We will work with the governor to ensure that the dollars that come from the settlements will be used to help those impacted by the opioid epidemic."

The agreement would resolve the claims of both state and local governments across the country, including the nearly 4,000 that have filed lawsuits in federal and state courts. Following today's agreement, states have 30 days to sign onto the deal and local governments in the participating states will have up to 150 days to join to secure a critical mass of participating states and local governments. States and their local governments will receive maximum payments if each state and its local governments join together in support of the agreement.

Funding Overview:

- The three distributors will collectively pay up to $21 billion over 18 years.
- Johnson & Johnson will pay up to $5 billion over nine years with up to $3.7 billion paid during the first three years.
- The total funding distributed will be determined by the overall degree of participation by both litigating and non-litigating state and local governments.
- The substantial majority of the money is to be spent on the treatment and prevention of opioid addiction.
- Each state's share of the funding has been determined by agreement among the states using a formula that takes into account the impact of the crisis on the

state – the number of overdose deaths, the number of residents with substance use disorder, and the number of opioids prescribed – and the population of the state.

Injunctive Relief Overview:

- The 10-year agreement will result in court orders requiring Cardinal, McKesson, and AmerisourceBergen to:
    - Establish a centralized independent clearinghouse to provide all three distributors and state regulators with aggregated data and analytics about where drugs are going and how often, eliminating blind spots in the current systems used by distributors.
    - Use data-driven systems to detect suspicious opioid orders from customer pharmacies.
    - Terminate customer pharmacies' ability to receive shipments, and report those companies to state regulators, when they show certain signs of diversion.
    - Prohibit shipping of and report suspicious opioid orders.
    - Prohibit sales staff from influencing decisions related to identifying suspicious opioid orders.
    - Require senior corporate officials to engage in regular oversight of anti-diversion efforts.
- The 10-year agreement will result in court orders requiring Johnson & Johnson to:
    - Stop selling opioids.
    - Not fund or provide grants to third parties for promoting opioids.
    - Not lobby on activities related to opioids.
    - Share clinical trial data under the Yale University Open Data Access Project.

This settlement comes as a result of investigations by state attorneys general into whether the three distributors fulfilled their legal duty to refuse to ship opioids to pharmacies that submitted suspicious drug orders and whether Johnson & Johnson misled patients and doctors about the addictive nature of opioid drugs.

Tragically, just last year, opioid overdose deaths rose to a record 93,000, a nearly 30 percent increase over the prior year. Many, many more have seen their lives torn apart by the disease of addiction. The damage also impacts their families and friends and their broader communities that suffer the consequences.

A previous version of this deal in principle was announced in 2019 and included the opioid manufacturer Teva. Negotiations with Teva are ongoing and are no longer part of this agreement. Today's deal comes on the heels of previously announced opioid settlements with Purdue Pharma, McKinsey Consulting, Mallinckrodt, and Insys Therapeutics. Combined these earlier matters will generate approximately $6.7 billion for opioid abatement, which in addition to today's agreement brings the collective opioid efforts of the attorneys general to $32.7 billion. These opioid cases represent the largest attorney general multi-state enforcement actions in history other than the tobacco master settlement agreement.