

## RESOLUTION

**WHEREAS**, after years of negotiations, two proposed nationwide settlement agreements (the "Settlements") have been reached that would resolve all opioid litigation brought by states and local political subdivisions against the three largest pharmaceutical distributors, McKesson, Cardinal Health and AmerisourceBergen (the "Distributors"), and one manufacturer, Janssen Pharmaceuticals, Inc., and its parent company Johnson & Johnson (collectively, "Janssen"); and

**WHEREAS**, the proposed Settlements require the Distributors and Janssen to pay billions of dollars to abate the opioid epidemic. Specifically, the Settlements require the Distributors to pay up to \$21 billion over 18 years and Janssen to pay up to \$5 billion over no more than 9 years, for a total of \$26 billion (the "Settlement Amount"). Of the Settlement Amount, approximately \$22.7 billion is earmarked for use by participating states and subdivisions to remediate and abate the impacts of the opioid crisis; and

**WHEREAS**, the Settlements also contain injunctive relief provisions governing the opioid marketing, sale and distribution practices at the heart of the states' and subdivisions' lawsuits and further require the Distributors to implement additional safeguards to prevent diversion of prescription opioids; and

**WHEREAS**, each of the proposed Settlements has two key participation steps. First, each state decides whether to participate in the Settlements. Minnesota has joined both Settlements. Second, the subdivisions within each participating state must then decide whether to participate in the Settlements. Generally, the more subdivisions that participate, the greater the amount of funds that flow to that state and its participating subdivisions. Any subdivision that does not participate cannot directly share in any of the settlement funds, even if the subdivision's state is settling and other participating subdivisions are sharing in settlement funds; and

**WHEREAS**, to receive any settlement funds from the opioid settlements the City must affirmatively take action to opt into the national settlements. According to the Minnesota Attorney General's Office's (the "AG") letter to the City on this subject, to begin this process, the City must register its participation in order to receive settlement participation documentation. The deadline to register to opt into the Settlements is January 2, 2022. In registering, the City must also provide the identity and email address for the person authorized by the City to sign the settlement documents on behalf of the City, and there may be subsequent action required as well as stated in the letter from the AG that the AG's office will be providing a Participation Agreement, Release, Resolution and instructions for executing DocuSign in the future.

**NOW, THEREFORE, BE IT RESOLVED** by the City of Winona, Minnesota, that:

1. The City Clerk is authorized and directed to register the City of Winona on the national opioid settlements website in order to participate in the Settlements process and thereby be eligible to receive settlement funds from the State of Minnesota's settlement allocations; and

2. As part of the above-mentioned initial registration process, the Mayor is designated as the City's opioid settlement registration contact in order to receive opioid settlement documentation and to sign City Council approved opioid settlement documentation on behalf of the City of Winona; and

3. City staff is authorized and directed to bring back to the City Council at a future date for consideration of approval the two respective City Settlement participation forms for the City to elect to opt into and participate in the Settlement Agreement dated July 21, 2021 ("Distributor Settlement") and the Settlement Agreement dated July 21, 2021 ("Janssen Settlement"), and thereby respectively release all Released Claims against all Released Entities and provided in the above-referenced Settlement agreements, as well as such other related documentation as necessary or appropriate to complete this process.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Scott D. Sherman  
Mayor

Attest:

\_\_\_\_\_  
Monica Hennessy Mohan  
City Clerk