



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 250787

Submitted Department/Preparer: Law

Revised 6/10/24

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in [Administrative Regulation \(AR\) 4-1](#).

Executive Summary

Authorizing and accepting opioid settlements with Sandoz, Inc, Purdue Pharma/Sackler, and the Secondary Distributors (Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus); and authorizing the City Attorney to settle these claims and further negotiate with the State of Missouri over the City's portion of Purdue Pharma/Sackler Family settlement proceeds pursuant to the MOU executed between the City and the State of Missouri.

Discussion

The people of the City of Kansas City have been harmed by a national and state-wide opioid epidemic caused, in part, by fraudulent marketing and licit and illicit opioid use and distribution throughout the city and the State of Missouri. The City joined a nationwide movement of hundreds of cities, counties and other governmental entities seeking damages against various manufacturers and distributors of opioids for economic damages related to items such as addiction treatment, ambulance services, first responder services, emergency room visits, law enforcement, substance abuse counseling, jail costs, other effects of overdoses and a potential host of other direct and indirect costs.

The City retained outside counsel to join the large multistate opioid litigation cases. The City later executed a memorandum of understanding (MOU) with the State of Missouri to govern the allocation of opioid settlement funds between the state and local governments resulting from certain national opioid litigation settlements.

The City has already received some proceeds. Some claims still remain and exact settlement amounts are still being finalized. The structure of settlements with certain pharmaceutical supply chain entities currently facing investigations and litigation in Missouri and throughout the country have taken the form of national settlement agreements with Missouri receiving a share of the proceeds of those national agreements to abate the opioid crisis within the state. Settlements are being finalized with various manufacturers and distributors, with the City expecting to receive its share of opioid litigation proceeds.

This ordinance authorizes the City Attorney to settle claims with with Sandoz, Purdue Pharma/Sackler, and the Secondary Distributors (Alvogen, Amneal, Apotex, Hikma, Indivior, Mylan, Sun, and Zydus) and authorizes the City Attorney to further negotiate with the State of Missouri over the City's portion of Purdue Pharma/Sackler Family settlement proceeds pursuant to the MOU executed between the City and the State of Missouri.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No
2. What is the funding source?
N/A
3. How does the legislation affect the current fiscal year?
Unknown if it will affect the current or following fiscal year. One settlement amount is expected to hit City accounts in 2026, but the month is currently unknown.
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
Positive fiscal impact. One settlement (Sandoz) will be a one-time lump sum payment in 2026. It's not yet known if the others will one-time lump sum payments, or if the payments to the City will be spread out over several years.
5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
Generates revenue, as the the City will receive settlement dollars for its participation in this litigation.

Office of Management and Budget Review

(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. ☐ Yes ☒ No
2. This fund has a structural imbalance. ☐ Yes ☒ No
3. Account string has been verified/confirmed. ☐ Yes ☒ No

Additional Discussion (if needed)

No account string to verify.

Citywide Business Plan (CWBP) Impact

1. View the [Adopted 2025-2029 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?
Public Safety (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):
 - ☒ Engage the community and community partners to reimagine the system of public safety with a focus on evidence-based approaches for crime prevention, treatment of mental health, emergency response time, and the criminal justice system.
 - ☐ Focus on violence prevention among all age groups, placing an emphasis on youth.
 - ☐ Increase fairness, justice, and responsiveness of our municipal criminal justice system to support the best possible outcome for offenders and victims of crime.
 - ☐ Reduce recidivism through prevention, deterrence, including detention, and re-entry services.
 - ☐ Enhance employee recruitment, succession planning, and retention in the police and fire departments with a continued emphasis on diversity.
 - ☐

Prior Legislation

Ordinance No. 180174 authorized the City Attorney to execute legal services contracts with a joint team, consisting of Simmons Hanly Conroy and Williams Dirks Dameron, to provide legal services as lead counsel for the City in potential opioid epidemic cases and related action.

Resolution No. 220214 authorized the City Attorney to execute a memorandum of understanding (MOU) with the State of Missouri to govern the allocation of opioid settlement funds between the state and local governments resulting from certain national opioid litigation settlements.

Resolution No. 220217 set out the City's priorities on how to spend opioid settlement dollars pursuant to allowable uses established by the MOU with the State of Missouri:

- Increasing behavioral health services and outreach to intervene, treat, and prevent misuse and related overdose deaths
- Reducing incarceration caused by opioid use disorder via pre- or post-arrest diversion programs, treatment and recovery services for people who are incarcerated, and discharge support post-incarceration
- Expanding housing access for people with opioid use disorder
- Providing mental health programming for young people who may be at risk of misusing opioids

Service Level Impacts

N/A

Other Impacts

1. What will be the potential health impacts to any affected groups?
This ordinance and the use opioid settlements will benefit the public health through behavioral health services and outreach to intervene, treat, and prevent misuse and related overdose deaths
2. How have those groups been engaged and involved in the development of this ordinance?
N/A
3. How does this legislation contribute to a sustainable Kansas City?
These settlements will help prevent opioid deaths, reduce addiction, provide mental health services, expand housing assistance and Reducing incarceration caused by opioid use disorder via pre- or post-arrest diversion programs, treatment and recovery services for people who are incarcerated, and discharge support post-incarceration.
4. Does this legislation create or preserve new housing units?
No (Press tab after selecting)

Not directly, but a Council goal is to use part of the proceeds to expand housing access for people with opioid use disorder.
[Click or tap here to enter text.](#)
5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

No - CREO's review is not applicable (Press tab after selecting)
Please provide reasoning why not:
[Click or tap here to enter text.](#)

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

No(Press tab after selecting)

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?

No(Press tab after selecting)