

Issue Analysis Form



Date: February 14, 2023
Resolution – Authorizing Prince George County to enter into an Agreement regarding Opioid Settlement Funds with Surry County

Item:

Lead Department(s): County Attorney

Contact Person(s): Dan Whitten

Description and Current Status

In 2022, the Commonwealth of Virginia and all 133 cities and counties unanimously agreed to a settlement agreement involving several prescription opioid manufacturers and distributors. According to the prior agreement, 30% of all opioid settlement funds are paid directly to the cities and counties, 15% to the Commonwealth and 55% to the Opioid Abatement Authority (OAA). OAA will further distribute funds to cities, counties and state agencies, and cities and counties are eligible to draw additional funds from OAA.

Settlement Funds have already started to be received from opioid distributors, McKesson, Cardinal Health, AmerisourceBergen and will continue through 2038. Settlement Funds have also started to be received from opioid manufacturer Janssen Pharmaceuticals and will continue through 2031. Future Settlement Funds are expected from CVS, Walmart, Walgreens, McKinsey and Company, Teva and Allergan.

Prince George and Surry Counties seek to pool Settlement Funds they have received and expect to receive through an Agreement Regarding Opioid Settlement Funds (MOU).

The attached proposed Agreement sets out the uses and limitations of the funds received. Riverside Criminal Justice Agency serves residents in the City of Hopewell and Prince George and Surry County. However, the City of Hopewell does not desire to participate in this Agreement at this time but has the option of joining the agreement. The Riverside Community Criminal Justice Board comprised of members from Hopewell, Prince George and Surry will give input on the use of the Settlement Funds. Prince George County shall serve as the Fiscal Agent and transfer all Settlement Funds to the Riverside Criminal Justice Authority's budget.

The term shall be through December 31, 2027 with two automatic renewals of an additional five year term. Either party may terminate its participation in the Agreement with a 60 day written notice to the Fiscal Agent prior to the end of the fiscal year.

Staff recommends that the Board approve through the attached Resolution to authorize the participation in the proposed Agreement Regarding Opioid Settlement Funds with Surry County.

Sample Motion: I move that the Board adopt a Resolution authorizing the County Administrator to sign the Agreement with Surry County regarding Opioid Settlement Funds.

Government Path

- | | | |
|--|---|--|
| Does this require IDA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require BZA action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does This require Planning Commission Action? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does this require Board of Supervisors action? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| Does this require a public hearing? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If so, before what date? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Fiscal Impact Statement

County Impact

Notes

Board of Supervisors
County of Prince George, Virginia

Resolution

At a regular meeting of the Board of Supervisors of the County of Prince George held in the Boardroom, Third Floor, County Administration Building, 6602 Courts Drive, Prince George, Virginia, this 14th day of February, 2023:

Present:

Donald Hunter, Chairman
T. J. Webb, Vice-Chairman
Floyd M. Brown, Jr.
Alan R. Carmichael
Marlene J. Waymack

Vote:

A-7

On motion of _____, seconded by _____, which carried unanimously, the following Resolution was adopted:

RESOLUTION: AUTHORIZING PRINCE GEORGE COUNTY TO
ENTER INTO AN AGREEMENT REGARDING OPIOID
SETTLEMENT FUNDS WITH SURRY COUNTY

WHEREAS, in 2022, the Commonwealth of Virginia and all 133 cities and counties unanimously agreed to a settlement agreement involving several prescription opioid manufacturers and distributors; and

WHEREAS, Prince George County and Surry County have already started to receive Settlement Funds from opioid distributors; and

WHEREAS, Prince George County and Surry County seek to pool Settlement Funds received and expected to receive in the future; and

WHEREAS, Riverside Criminal Justice Agency serves residents in the localities of the City of Hopewell and Counties of Prince George and Surry; and

WHEREAS, the City of Hopewell does not desire to participate in this agreement; and

WHEREAS, Riverside Community Criminal Justice Board is comprised of members from Hopewell, Prince George and Surry and will give input on the use of the Settlement Funds.

NOW, THEREFORE, BE IT RESOLVED by the Prince George County Board of Supervisors this 14th day of February, 2023, authorize the County Administrator to sign the Agreement with Surry County regarding Opioid Settlement Funds.

A Copy Teste:

Jeffrey D. Stoke
County Administrator

**AGREEMENT REGARDING
OPIOID SETTLEMENT FUNDS**

THIS AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 2023, by and between **Prince George County, Virginia**, a political subdivision of the Commonwealth of Virginia (“Prince George”), and **Surry County, Virginia**, a political subdivision of the Commonwealth of Virginia (“Surry”), each of which is hereinafter referred to as a “Participating Locality”, and all of which are hereinafter collectively referred to as “Participating Localities”.

WITNESSETH:

WHEREAS in 2022, the Commonwealth of Virginia and all 133 cities and counties unanimously agreed to a settlement agreement (“Settlement Agreement”) involving several prescription opioid manufacturers and distributors; and

WHEREAS in accordance with a prior agreement between the Commonwealth and its cities and counties, 30% of all opioid settlement funds (“Settlement Funds”) are paid directly to the cities and counties, 15% to the Commonwealth, and 55% to the Opioid Abatement Authority (OAA); and

WHEREAS the OAA then further distributes funds to cities, counties and state agencies, and cities and counties are eligible to draw additional funds from the OAA; and

WHEREAS the Participating Localities have already started to receive Settlement Funds from opioid distributors McKesson Corporation, Cardinal Health, Inc. and Amerisource Bergen Corporation, and payments will continue through 2038; and

WHEREAS the Participating Localities have already started to receive Settlement Funds from opioid manufacturer Janssen Pharmaceuticals, Inc., and payments will continue through 2031; and

WHEREAS the Participating Localities expect to receive future Settlement Funds from opioid retailers CVS, Walmart and Walgreens, consultant McKinsey and Company, and generic opioid manufacturers Teva and Allergan; and

WHEREAS the Participating Localities seek to pool Settlement Funds that they have previously received or will receive in the future; and

WHEREAS the Participating Localities wish to set forth the basic parameters of their relationship in said use of the Settlement Funds as more specifically set forth herein; and

WHEREAS the Settlement Agreement addresses the uses and limitations of the funds received by the Participating Localities directly from the settlements; and

WHEREAS Riverside Criminal Justice Agency (“RCJA”) serves residents in the localities of City of Hopewell (“Hopewell”), Surry and Prince George; and

WHEREAS Hopewell does not desire to participate in this Agreement; and

WHEREAS the Riverside Community Criminal Justice Board (“CCJB”) is comprised of members from Hopewell, Prince George and Surry and will give input on the use of the Settlement Funds.

NOW, THEREFORE, in consideration of the promises and covenants set forth herein, Prince George and Surry agree as follows:

1. **TERM:** The initial term of this Agreement shall be for a period commencing on the date of the execution of this Agreement and shall terminate on December 31, 2027, if proper notice of termination is provided in accordance with this Agreement. Otherwise, this Agreement shall automatically renew for two (2) additional five-year terms (“Renewal Terms”).
2. **FISCAL AGENT:** Prince George shall serve as the fiscal agent (“Fiscal Agent”) for RCJA and shall have custody of all Settlement Funds collected for the purposes set forth in this Agreement and shall continue to serve in such a capacity unless and until otherwise agreed to by the member localities of RCJA.
3. **FINANCIAL COMMITMENT:** The Participating Localities shall appropriate and transfer all Settlement Funds to the Fiscal Agent, and the Fiscal Agent shall appropriate and transfer all Settlement Funds from Participating Localities to the RCJA budget.
4. **USE OF SETTLEMENT FUNDS:** The Participating Localities shall adhere to the “Gold Standard” as defined by the OAA in the use of the Settlement Funds which definition is specifically hereby incorporated by reference. The Settlement Funds shall only be used according to the list of approved opioid remediation uses which can be found at www.voaa.us, which is also hereby specifically incorporated by reference. Settlement Funds shall not be used either to supplant funds for an existing program or to pay for any indirect costs. The CCJB will provide recommendations to the Participating Localities regarding how the Settlement Funds might best be utilized for abatement and remediation purposes; and
5. **APPLYING FOR ADDITIONAL SETTLEMENT FUNDS:** The Participating Localities may apply for additional funding from the OAA. The Participating Localities may also join with other localities and submit a regional request to the OAA for cooperating partnership grants.
6. **APPROPRIATION OF ADDITIONAL SETTLEMENT FUNDS:** The Participating Localities anticipate receiving additional Settlement Funds and will appropriate and transfer the future Settlement Funds to the Fiscal Agent when received.
7. **TERMINATION:** A Participating Locality may terminate its participation in this Agreement with at least sixty (60) days’ written notice to the Fiscal Agent prior to the end of the fiscal year for the Participating Locality or upon non-appropriation of funds by a governing body of a Participating Locality pursuant to paragraph 11.
8. **SEVERABILITY:** Each provision of this Agreement shall be separately enforceable, and the invalidity of one provision shall not affect the validity or enforceability of any other provisions.

9. **GOVERNING LAW:** This Agreement shall be interpreted and construed in accordance with the laws of the Commonwealth of Virginia.

10. **ENTIRE AGREEMENT:** This Agreement constitutes the only agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by all parties to this Agreement.

11. **NON-APPROPRIATION:** It is understood and agreed between the Participating Localities that they shall be bound and obligated only to the extent funds have been appropriated and budgeted for the purpose of this Agreement. In the event funds are not appropriated and budgeted in any fiscal year for which payments are due under this Agreement by a Participating Locality, such locality shall notify the Fiscal Agent in accordance with paragraph 7 of this Agreement, and then that Participating Locality's participation in this Agreement shall terminate on the last day of that fiscal year without penalty or expense to the Participating Locality of any kind whatsoever.

12. **NOTICES:** The term "Notice" as used herein shall mean and include written notice. Any legal notice by any party shall be deemed to have been provided if delivered by hand, or sent through the United States Postal Service with tracking, or any other commercially available delivery service with tracking and addressed to:

If to Prince George County:

Prince George County, Virginia
c/o County Administrator
6602 Courts Drive,
Third Floor, County Administrator's Office
Prince George, Virginia 23875

With a copy to:

Prince George County, Virginia
c/o County Attorney
6602 Courts Drive
Third Floor, County Attorney's Office
Prince George, Virginia 23875

If to Surry County:

Surry County, Virginia
c/o County Administrator
45 School Street
Surry, Virginia 23883

With a copy to:

Surry County, Virginia
c/o County Attorney
45 School Street
Surry, Virginia 23883

13. **NO PRESUMPTION AGAINST DRAFTER:** The Participating Localities acknowledge and agree that there shall be no presumption against the draft of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed.

PRINCE GEORGE COUNTY, VIRGINIA

County Administrator

Date

Approved as to Form:

County Attorney

SURRY COUNTY, VIRGINIA

County Administrator

Date

Approved as to Form:

County Attorney