



Memorandum

Date: 7/15/2025
Meeting of: City Council

File No. AM No. 25-105
Type: Consent Item

TO: Members of the City Council
FROM: Mayor Angela Birney
DEPARTMENT DIRECTOR CONTACT(S):

Executive	Malisa Files, COO	425-556-2166
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DEPARTMENT STAFF:

N/A	N/A	N/A
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TITLE:

Approval of an Amendment to the King County Memorandum of Understanding for the Opioid Abatement Council (OAC)

OVERVIEW STATEMENT:

In June 2022, the City Council approved participation in the One Washington Memorandum of Understanding (MOU) to participate in the settlement agreements against opioid distributors and retailers. The One Washington MOU outlined the requirements to create a regional Opioid Abatement Council (OAC) to monitor distributions, expenditures, re-allocations and disputes related to the settlement funds. Redmond City Council approved the MOU for participation in King County's OAC on June 20, 2023. The OAC is proposing two changes to the original agreement as described below.

☒ **Additional Background Information/Description of Proposal Attached**

REQUESTED ACTION:

☐ **Receive Information** ☐ **Provide Direction** ☒ **Approve**

REQUEST RATIONALE:

- **Relevant Plans/Policies:**
One Washington Memorandum of Understanding
- **Required:**
Per City Policy, interlocal agreements between agencies must be approved by Council and participation in the regional OAC is required under the One Washington MOU approved by Council in 2022.
- **Council Request:**
N/A
- **Other Key Facts:**
The City of Redmond cannot utilize the opioid settlement funds without participating in the OAC.

OUTCOMES:

In June 2022, Redmond signed on to the One Washington Memorandum of Understanding that allowed the City to participate in the state opioid settlements. Redmond has participated in four opioid settlements, including:

- Amerisource Bergen Corporation, Cardinal Health, Inc, and McKesson Corporation
- CVS, Walgreens, Walmart, TEVA and Allergan
- Johnson & Johnson Corporation
- Kroger

The total the City is set to receive is approximately \$2.087 million over a number of years. To date the City has collected approximately \$735,000. Allowable uses of the funds include law enforcement expenditures relating to the opioid epidemic, education of law enforcement or other first responders regarding appropriate practices and precautions when dealing with fentanyl or other drugs, connecting those who need help to the help they need (connections to care) as well as other abatement strategies.

The One Washington MOU created an Opioid Abatement Council (OAC) whose duties include:

- Monitor the opioid fund allocations
- Set requirements for and gather participant data
- Maintain a dashboard of the participant data
- Review reports
- Reallocate funds if an entity drops out of participation
- Resolve complaints among participants
- Consider remedial actions if a participant does not abide by the One Washington MOU

Redmond remits \$10,000 annually to King County to administer the OAC.

After working under the OAC memorandum of understanding for two years, King County has requested some changes to the original agreement. As mentioned, the parties are contributing funds to cover OAC administrative costs. While the OAC originally anticipated being able to credit back unused portions of the parties' contributions on a yearly basis, the disbursements of opioid settlement funds are not being spread evenly over the settlement period. Unexpectedly, there were large disbursements in 2023 and 2024. As a result, the parties' contributions to OAC administrative costs in the earlier years will exceed annual costs and in the later years, will be less than needed to cover annual OAC administrative costs. With current planned staffing levels necessary to administer OAC through 2039, if the OAC were to annually credit back the unused contributions, the OAC Administrator will incur funding deficits starting in 2028, and significant deficits by 2033.

To address this situation, the OAC is proposing to carry the parties' excess contributions from the early years into the later years to cover the OAC administrative costs over the entire settlement period (through 2039). Instead of crediting cities back unspent funds yearly, the OAC Administrator would hold back credits to cover the deficits as needed, potentially until the end of the settlement period. The OAC Administrator would provide an administrative budget forecast update yearly at the annual open OAC meeting. At the end of the settlement period, the OAC Administrator would credit back all unspent contributions.

In order to effectuate this change, the OAC proposes the following change to the King County Regional OAC agreement:

Section 6.F: If the amount contributed by a Party to the OAC Administrative Costs fund under Section 6.B in a year

exceeds that Party's proportionate share of the OAC Administrative Costs for that year, King County Treasury shall retain some or all of the excess amount in the OAC Administrative Costs fund for payment of OAC Administrative Costs in later years and reduce that Party's required contribution for the following year by that same amount. Any excess contributions remaining in the fund after termination and payment of all OAC Administrative Costs will be returned to the contributing Party for use as authorized by the MOU.

Secondly, to allow for future modifications of the OAC Agreement similar to the change requested above, the OAC is proposing replacing Section 9 with the following:

This Agreement may be amended as follows:

- (1) The OAC shall provide all Parties with written notice of the proposed amendment.
- (2) Any Party objecting to the amendment shall have ninety (90) days to provide the OAC with a written objection.
- (3) If one or more Party(ies) objects, the proposed amendment is rejected.
- (4) If no Party objects to the proposed amendment within 90 days of the notice described in (1) above, the OAC shall schedule a vote on the proposed amendment.
- (5) If unanimously approved by all four members of the OAC, the amendment is adopted and effective immediately.
- (6) If an amendment is adopted, the OAC shall provide the Parties with written notice of the amendment and the effective date.

Notwithstanding the above, the OAC may by unanimous vote of all four OAC members and without prior notice to the Parties, amend the definitions of Opioid Litigation and National Settlement Agreements in order to make this Agreement applicable to future opioid litigation settlements.

These amendments are contained in the redlined OAC Agreement in Attachment A with a clean copy of the MOU in Attachment B.

COMMUNITY/STAKEHOLDER OUTREACH AND INVOLVEMENT:

- **Timeline (previous or planned):**
N/A
- **Outreach Methods and Results:**
N/A
- **Feedback Summary:**
N/A

BUDGET IMPACT:

Total Cost:

The total administrative cost to participate in the Opioid Abatement Council equals \$10,000 annually.

Approved in current biennial budget: ☒ **Yes** ☐ **No** ☐ **N/A**

Budget Offer Number:

N/A

Budget Priority:
Safe and Resilient

Other budget impacts or additional costs: ☐ Yes ☒ No ☐ N/A

If yes, explain:

N/A

Funding source(s):

N/A

Budget/Funding Constraints:

N/A

☐ Additional budget details attached

COUNCIL REVIEW:

Previous Contact(s)

Date	Meeting	Requested Action
6/13/2023	Committee of the Whole - Finance, Administration, and Communications	Receive Information
6/20/2023	Business Meeting	Approve
7/8/2025	Committee of the Whole - Finance, Administration, and Communications	Provide Direction

Proposed Upcoming Contact(s)

Date	Meeting	Requested Action
N/A	None proposed at this time	N/A

Time Constraints:

King County has asked all participating cities to approve the amendments on or before July 15, 2025.

ANTICIPATED RESULT IF NOT APPROVED:

If the MOU is not approved, Redmond could not spend the remainder of the opioid abatement funds until the City is again part of the OAC or creates an OAC specifically for Redmond.

ATTACHMENTS:

Attachment A: King County Opioid Abatement Redlined Memorandum of Understanding

Attachment B: Final King County Opioid Abatement Memorandum of Understanding