

**CITY OF CHARLOTTESVILLE, VIRGINIA
CITY COUNCIL AGENDA**



Agenda Date:	February 5, 2024
Action Required:	
Presenter:	Ashley Marshall, Deputy City Manager, Michael Thomas, Fire Chief
Staff Contacts:	Ashley Marshall, Deputy City Manager Krisy Hammill, Director of Budget Chris Cullinan, Director of Finance
Title:	Resolution to Appropriate Opioid Abatement Funding Dollars (1 of 2 readings)

Background

Due to the impact of the opioid epidemic, multiple legal suits were filed on behalf of various states and localities. The City of Charlottesville joined with the Commonwealth of Virginia in a multi-state class action lawsuit that accused OxyContin maker Purdue Pharma and other nationwide distributors of misleading doctors and catalyzing America's nationwide opioid epidemic. A Memorandum of Understanding for the Virginia Opioid Abatement Fund and Settlement Allocation was drafted in August 2021 that outlined the distribution process for the Commonwealth. All 122 counties and cities in the Commonwealth, including the City of Charlottesville, signed this MOU. The memorandum can be found in full at: <https://nationalopioidsettlement.com/wpcontent/uploads/2021/10/VA-Opioid-Abatement-Fund-and-Settlement-Allocation-MOU1.pdf>.

As of January 19, 2023, three national-level opioid settlements have been approved by Virginia state courts that result in payments to Virginia. Those settlements include McKinsey (roughly \$13 million); McKesson, Cardinal Health, and AmerisourceBergen (referred to as "distributors" by the OAA; roughly \$21 million); and Jansen Pharmaceutical (roughly \$64.7 million). Additionally, settlements with Mallinckrodt is expected to provide a possible \$17 million to the Commonwealth in full, and settlements with Walmart will provide roughly \$60 million to the Commonwealth in full. The above-referenced MOU includes a formula for distributing the proceeds of opioid settlements based on a measure of harm per capita to communities across Virginia. The City of Charlottesville will receive roughly 0.0463% of the funding submitted to the Commonwealth per memorandum, and it may use the funds it receives to enter into agreements with service providers focused on the abatement of Opioid Use Disorder (OUD) or prevention of OUD. Estimated Opioid Fund information can be found on the OAA's website at:

<https://www.oaa.virginia.gov/media/governorvirginiagov/oaa/grants/Summary-of-Opioid-Funds-to-Virginia-Localities.xlsx>

Discussion

The City of Charlottesville has received direct distributions from the distributors for \$170,114.40 for Fiscal Years 2023 and 2024 as of December 15, 2023. The City has not yet requested distribution from the Virginia Opioid Abatement Fund. As of this Council Meeting, the City has not spent any opioid funding.

The Charlottesville Fire Department has been approved by the Virginia Department of Health's Office of Epidemiology's Division of Pharmacy Services to administer and provide naloxone nasal spray according to the statewide naloxone standing order issued by the Commissioner of Health. CFD is now able to provide naloxone nasal spray for the intent to be used by first responders following established policies and procedures to be dispensed or administered to a person who is believed to be experiencing or about to experience a life-threatening opioid overdose. Naloxone is a medication that is FDA-approved and works to rapidly reverse an opioid overdose as an opioid antagonist. The program requires safe and secure storage and administration of the medication, and that is done through dispensing machines. The supply dispensers provide a centralized point of access for the entire CFD team, making it easy to keep inventory organized and secure. Further, the integrated trackers and security modules ensure that there are accurate stock counts, reduce errors, and eliminate the need for manual entry of items, location bins, pick orders, and inventory receiving. Further, it ensures that only authorized staff members may access the medications.

To secure these machines, the City would like to allocate opioid abatement funding for this harm-reduction effort. The efforts abide by the desires of the settlement proper to engage in activities that may be seen as prevention, treatment, or harm reduction. Further, the activity matches the Virginia Opioid Abatement Authority's "gold standard" usage that requires participating cities and counties to only utilize OAA distributions and direct distributions to fund efforts designed to treat, prevent, or reduce opioid use disorder or the misuse of opioids through evidence-based or evidence-informed methods, programs, or strategies and funding may not supplant funding of an existing program nor collect indirect costs. [See: <https://www.oaa.virginia.gov/media/governorvirginiagov/oaa/pdf/Policy-for-Gold-Standard-Incentive-to-Cities-and-Counties---Adopted-Oct-24,-2022.pdf>]

Therefore, staff requests the ability to use \$45,073 to purchase three (3) U-Cap It Series 5 Vending Machines with card readers and fingerprint readers, one (1) biometric registration station, five hundred (500) medication safety dispenser bags, and two hundred (200) IV Fluid safety dispenser bags along with one (1) year of annual software costs and warranties/maintenance costs on the three machines. This purchase will also include in-person and online training for Charlottesville Fire Department (CFD) staff and the set-up and installation of the machines.

Alignment with City Council's Vision and Strategic Plan

This program aligns with the Public Safety Strategic Outcome Area, where Charlottesville provides comprehensive, trusted public safety services and treats everyone with respect and dignity.

Community Engagement

N/A

Budgetary Impact

There is no budgetary impact on the City's General Fund as these expenses would be funded using the Opioid Abatement grant funds.

Recommendation

Staff recommends that the Council approve this appropriation from the opioid abatement fund to purchase the three medication dispensing machines for the Charlottesville Fire Department.

Alternatives

If the funding is not appropriated, CFD would need to seek general fund support for the required purchase.

Attachments

1. CFD Opioid Appropriation Resolution