

ORDINANCE NO. 2022 - 4106

AN ORDINANCE ESTABLISHING THE ONEOHIO OPIOID SETTLEMENT FUND TO ACCOUNT FOR REVENUES AND EXPENDITURES ASSOCIATED WITH THE MEMORANDUM OF UNDERSTANDING (MOU) AND DECLARING AN EMERGENCY.

WHEREAS, The City anticipates receiving shares from the OneOhio Opioid Settlement in the near future; and

WHEREAS, the City desires to establish a fund as required by the Memorandum of Understanding (MOU) (attached hereto as Exhibit A) to contain the shares received in a separate fund to be used only for the approved purposes;

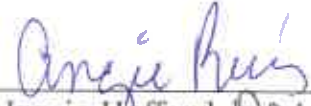
NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL, CITY OF FREMONT, STATE OF OHIO:

SECTION 1. The City desires to establish the OneOhio Opioid Settlement Fund to account for revenues and expenditures associated with the Memorandum of Understanding (MOU).

SECTION 2. It is hereby found and determined that all formal actions of this Council concerning and relating to the passage of this ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Revised Code of Ohio.

SECTION 3. The immediate operation of the provisions of this ordinance is necessary for the immediate preservation of the public peace, health, safety and welfare of the citizens of the City of Fremont. Said emergency being the immediate need to establish a new fund prior to receiving any settlement distribution from the State of Ohio.

This ordinance, provided it receives a two-thirds yea or nay vote of all the members elected to the Fremont City Council, is hereby declared to be an emergency measure and this ordinance shall be in full force and effect from and after its passage by the Council of the City of Fremont, approval by the Mayor, and publication and posting as required by law.




Jamic Hafford Angie Ruiz
President of Council Pro Tem

PASSED: 3-17-22

Effective date: 3-17-22


YEAS: 6 NAYS: 0


Stephanie L. Martin, City Council Clerk


Daniel R. Sanchez, Mayor

ORD11290

Approved as to form:


James F. Melle, Director of Law
City of Fremont, Ohio



OHIO AUDITOR OF STATE KEITH FABER

**Auditor of State Bulletin
Bulletin 2022-003**

DATE ISSUED: March 10, 2022

TO: All County, City, Township, Village Officials and Independent Public Accountants

FROM: Keith Faber
Ohio Auditor of State

SUBJECT: OneOhio Opioid Settlement

Ohio reached an \$808 million agreement with the three largest distributors of opioids. The state developed the OneOhio plan, a mechanism to ensure that any money from a negotiated settlement is distributed fairly to the communities hit hardest by the opioid crisis.

The settlement agreement allocates 30% to local governments (LG Share), 55% to a foundation that will distribute funds to projects, and 15% to the Office of the Ohio Attorney General as Counsel for the State of Ohio. This bulletin will focus on the allocation of settlement proceeds provided directly to local governments in the LG Share.

The purpose of this bulletin is to emphasize the separate accountability and accounting guidance for the LG Share of the OneOhio Opioid Settlement Funds (OneOhio Funds).

Approved Uses of the Local Government Share

OneOhio Funds must be utilized in a manner consistent with the “Approved Purposes” definition in the OneOhio memorandum of understanding (MOU). According to the MOU, the Funds must be used for “evidence-based forward-looking strategies, programming and services used to (i) expand the availability of treatment for individuals affected by substance use disorders, (ii) develop, promote and provide evidence-based substance use prevention strategies, (iii) provide substance use avoidance and awareness education, (iv) decrease the oversupply of licit and illicit opioids, and (v) support recovery from addiction services performed by qualified and appropriately licensed providers[.]”

Additionally, Exhibit A of the MOU sets forth agreed Ohio Opioid Abatement Strategies.

The Ohio Opioid Abatement Strategy includes three main components:

1. **Strategies for Community Recovery:** Included but not limited to prevention, treatment, recovery support and community recovery projects (examples include child welfare, law enforcement strategies and other infrastructure supports). These strategies have a hyper-local focus that allows communities to collaborate and expand necessary services to their community.
2. **Strategies for Statewide Innovation & Recovery:** Included but not limited to strategies included in Community Recovery Component but also projects that promote statewide change and regional development for prevention, treatment, recovery supports and community recovery (examples include regional treatment hubs, drug task forces, data collection and dissemination). This component also includes research and development to understand how to better serve individuals and families in Ohio.
3. **Strategies for Sustainability:** Ohio's addiction and mental health epidemic was not created overnight, and it will not go away immediately. By collaborating to share resources and knowledge, Ohio's state and local communities can build a sustainable financing strategy and infrastructure to reverse the damage that has been done and prevent future epidemics and crises.

The LG Share of the OneOhio Funds can also be used for past expenditures that are consistent with the approved purposes definition.

Accounting for the Local Government Share

Ohio Rev. Code §5705.09(F) requires subdivisions to establish separate funds for each class of revenue derived from a source other than the general property tax, which the law requires to be used for a particular purpose. Additionally, Ohio Rev. Code §5705.10(I) states that money paid into a fund must be used only for the purposes for which such fund is established.

Before the local government receives its portion from the state, the Auditor of State (AOS) recommends that each participating subdivision accepting the Funds provide by a written ordinance or resolution that the LG Share of the OneOhio Funds shall be placed in a separate fund and used only for the approved purposes as required by the OneOhio MOU. As the special fund is created under Ohio Rev. Code § 5705.09(F), local governments do not need to seek AOS approval for establishing this new fund.

AOS recommends that each participating subdivision accepting OneOhio Funds clearly document their rationale for each expenditure. This documentation is best provided by legislation adopted by the entity's legislative body explaining how the expenditure meets the approved purposes definition of the OneOhio MOU. To aid in our future audit work, we also ask that each expenditure be carefully tracked and adequate documentation of the expenditure be maintained.

For any expenditures previously made by a local government that are eligible for reimbursement with moneys from the LG Share, the local government must pass an ordinance or resolution that identifies

the prior expenditures and explains its determination that expenditures are for approved purposes consistent with the OneOhio MOU.

If local governments are using OneOhio Opioid Settlement dollars to reimburse expenditures from another fund, local governments have two options:

Reallocation method - Local governments should receipt the OneOhio Opioid Settlement dollars into the special revenue fund. If the original expenditure was made in the same fiscal year, the local government can reallocate the original expenditure from the original fund to the special revenue fund. Local governments should maintain documentation to support the reallocation. Local governments on the Uniform Accounting Network (UAN) system should refer to UAN for information on how to properly handle reallocations of expenditures in the UAN system. For guidance UAN provided to users to reallocate/reimburse receipts and expenditures using Coronavirus Relief Fund awards, click [here](#). Similar steps will apply to OneOhio Opioid Settlement dollars.

Invoice method - Local governments should receipt the OneOhio Opioid Settlement dollars into the special revenue fund. Management should prepare a detailed invoice documenting the fund that reported the original expenditure of allowable cost(s) (Original Fund), charge the invoice to the OneOhio Opioid Settlement Fund, and record a reduction of the appropriate expenditure if the reimbursement is within the same fiscal year as the original expenditure. Miscellaneous revenue may be a better choice if the reimbursement relates to a prior fiscal year. Some judgment may be needed to determine the best presentation of these amounts in each particular circumstance. Local governments should charge the appropriate functions/objects within the OneOhio Opioid Settlement Fund based on the billing received from the Original Fund. This method is most useful when the original expenditures were made in one year and receipt of the OneOhio Opioid dollars money didn't occur until the following year.

The AOS encourages recipients of OneOhio Funds to consult with their legal counsel as they plan to utilize the Funds.

Questions

This bulletin is not intended to answer all questions that local governments may have. AOS will continue to provide updated guidance.

If you have any questions regarding the information presented in the Bulletin, please contact the Center for Audit Excellence at the Auditor of State's Office at (800) 282-0370.



Keith Faber
Ohio Auditor of State