



Legislation Text

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Resolution Approving the City of Hampton's Participation in the Proposed Settlement of Opioid Related Claims Against Kroger and its Related Corporate Entities, and Directing the City Manager to Execute the Documents Documents Necessary to Effectuate the City of Hampton's Participation in the Settlement

PURPOSE/BACKGROUND:

On November 10, 2021, the City Council approved the City's participation in an Memorandum of Understanding governing the statewide distribution of settlement funds relating to ongoing litigation by the state with several companies involved in the manufacture and distribution of opioids. At the time, the only settlements which had been reached were with distributors McKesson, Cardinal Health and AmerisourceBergen, and manufacturer Janssen Pharmaceuticals. On March 8, 2023, City Council approved additional settlements with manufacturers Teva, Allergan, and retailers Walmart, Walgreens and CVS. Settlements have now been reached with Kroger and its related corporate entities. This resolution would approve the City's participation in this latest round of settlements.

Recommendation:

Approve the resolution.

WHEREAS, the opioid epidemic that has cost thousands of human lives across the country also impacts the Commonwealth of Virginia and its cities and counties by adversely impacting, amongst other things, the delivery of emergency medical, law enforcement, criminal justice, mental health and substance abuse services, and other services;

WHEREAS, the Commonwealth of Virginia and its cities and counties have been required and will continue to be required to allocate substantial taxpayer dollars, resources, and staff energy and time to address the damage the opioid epidemic has caused and continues to cause the citizens of Virginia;

WHEREAS, a settlement proposal has been negotiated that will cause Kroger to pay over a billion dollars nationwide to resolve opioid-related claims against it;

WHEREAS, the City has approved and adopted the Virginia Opioid Abatement Fund and Settlement Allocation Memorandum of Understanding (the "Virginia MOU"), and affirms that this pending settlement with Kroger shall be considered a "Settlement" that is subject to the Virginia MOU, and shall be administered and allocated in the same manner as the opioid settlements entered into previously with opioid distributors McKesson, Cardinal Health, and AmerisourceBergen, opioid manufacturers Janssen Pharmaceuticals, Teva Pharmaceuticals, and Allergan, and retail pharmacy chains CVS, Walgreens, and Walmart; and

WHEREAS, the City's participation in this additional settlement will result in additional funds being provided to reimburse the City for its costs associated with the opioid epidemic.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HAMPTON, VIRGINIA, that it approves of the City of Hampton's participation in the proposed settlement of opioid-related claims against Kroger and its related corporate entities, and directs the City Manager to execute the documents necessary to effectuate the City of Hampton's participation in the settlements, including the required release of claims against Kroger.