

INTRODUCED: July 1, 2024

Expedited Consideration

A RESOLUTION No. 2024-R023

To approve of the City’s participation in the proposed settlement of opioid-related claims against Kroger, and their related corporate entities, and to direct the City Attorney to execute the documents necessary to effectuate the City’s participation in the settlements, including the required release of claims against the settling entities.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JULY 1 2024 AT 4 P.M.

WHEREAS, the opioid epidemic that has cost thousands of human lives across the country also impacts the City of Richmond by adversely impacting the delivery of emergency medical, law enforcement, criminal justice, mental health, and substance abuse services, and other services by the City’s various departments and agencies; and

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

AYES: 7 NOES: 0 ABSTAIN: _____

ADOPTED: JULY 1 2024 REJECTED: _____ STRICKEN: _____

WHEREAS, the City has filed suit against Kroger, and certain of their related corporate entities for their role in the distribution, manufacture, and sale of the pharmaceutical opioid products that have fueled the opioid epidemic that has harmed the City; and

WHEREAS, the City's suit seeks recovery of the public funds previously expended and to be expended in the future to abate the consequences and harms of the opioid epidemic; and

WHEREAS, settlement proposals, similar to those entered into with McKesson, Cardinal Health, and AmerisourceBergen (the "Distributors") and Janssen Pharmaceuticals ("Janssen"), have been negotiated that will cause Kroger to pay billions of dollars nationwide to resolve opioid-related claims against them; and

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 settlements with Kroger shall be considered a "Settlement" subject to the Virginia MOU, and shall be administered and allocated in the same manner as the opioid settlements entered into previously with the Distributors and Janssen; and

WHEREAS, the City's outside opioid litigation counsel has recommended that the City participate in the settlements in order to recover its share of the funds that the settlement would provide; and

WHEREAS, the City Attorney has reviewed the available information about the proposed settlements and concurs with the recommendation of outside counsel;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

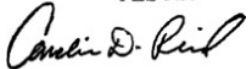
That the City Council approves of the City's participation in the proposed settlement of opioid-related claims against Kroger, and their related corporate entities, and directs the City

Attorney to execute the documents necessary to effectuate the City's participation in the settlements, including the required release of claims against the settling entities.

APPROVED AS TO FORM:


CITY ATTORNEY'S OFFICE

A TRUE COPY:
TESTE:


City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2024-0708

File ID: Admin-2024-0708

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

Reference:

In Control: City Clerk Waiting Room

Department:

Cost:

File Created: 06/26/2024

Subject:

Final Action:

Title:

Internal Notes:

Code Sections:

Agenda Date: 07/01/2024

Indexes:

Agenda Number:

Patron(s):

Enactment Date:

Attachments: Kroger Opioid Settlement Resolution AATF.pdf

Enactment Number:

Contact:

Introduction Date:

Drafter: dominic.barrett@rva.gov

Effective Date:

Related Files:

Approval History

Version	Seq #	Action Date	Approver	Action	Due Date
1	1	6/27/2024	Shunda Giles	Approve	6/28/2024
1	2	6/28/2024	Jeff Gray	Approve	6/28/2024
1	3	6/28/2024	Lincoln Saunders	Approve	7/3/2024
1	4	6/28/2024	Mayor Stoney	Approve	7/4/2024

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File Admin-2024-0708

City of Richmond
Intracity Correspondence

O&R Transmittal

DATE: Friday, June 21, 2024

TO: The Honorable Members of City Council

THROUGH: The Honorable Levar M. Stoney, Mayor

THROUGH: J.E. Lincoln Saunders, Chief Administrative Officer

THROUGH: Shunda Giles, Director of the Department of Social Services
(Designee for the DCAO for Human Services)

FROM: Dominic Barrett, Strategic Projects and Grants Advisor

RE: To approve of the City's participation in the proposed settlement of opioid-related claims against Kroger
ORD. OR RES. No.

PURPOSE: To approve of the City's participation in the proposed settlement of opioid-related claims against Kroger and their related corporate entities, and to direct the City Attorney to execute the documents necessary to effectuate the City's participation in the settlements, including the required release of claims against the settling entities.

BACKGROUND: By Res. No. 2018-R094, adopted Nov. 13, 2018, the City Council established a policy to pursue legal action on behalf of the City against drug manufacturers and distributors of opioids. Pursuant to Ord. No. 2021-234, adopted Sept. 27, 2021, the City entered into a Virginia Opioid Abatement Fund and Settlement Allocation Memorandum of Understanding with the Attorney General of Virginia providing for the allocation and use of monies recovered through litigation concerning the opioid addiction epidemic. Res. No. 2021-R078, adopted Dec. 13, 2021, approved of the City's participation in settlements with McKesson, Cardinal Health, AmerisourceBergen, and Janssen Pharmaceuticals. Res. No. 2023-R010, adopted Feb. 27th, 2023, approved of the City's participation in settlements with Teva, Allergan, Walmart, Walgreens, CVS, and certain of their related corporate entities. The City Attorney and the City's outside counsel recommend that the City participate in these new proposed settlements.

COMMUNITY ENGAGEMENT: N/A

STRATEGIC INITIATIVES AND OTHER GOVERNMENTAL: RES. 2022-R013 declaring opioid drug overdose deaths as a public health crisis in the City of Richmond.

FISCAL IMPACT: Increase in new revenues of an unknown amount.

DESIRED EFFECTIVE DATE: Upon adoption

REQUESTED INTRODUCTION DATE: July 1, 2024

CITY COUNCIL PUBLIC HEARING DATE: July 1, 2024

REQUESTED AGENDA: Consent agenda

RECOMMENDED COUNCIL COMMITTEE: None

AFFECTED AGENCIES: City Attorney, Human Services

RELATIONSHIP TO EXISTING ORD. OR RES.: Res. No. 2018-R094; Ord. No. 2021-234; Res. No. 2021-R078; Resolution 2022-R013; Res. No. 2023-R010; Res. No. 2023-293

ATTACHMENTS: None

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