

CITY OF HIGH POINT

AGENDA ITEM



TITLE: Opioid Settlement Resolution	
FROM: Eric Olmedo, Assistant City Manager	MEETING DATE: July 15, 2024
PUBLIC HEARING: n/a	ADVERTISED DATE/BY: n/a
ATTACHMENTS: Resolution	

PURPOSE: Consider approval of a resolution authorizing execution of the Kroger opioid settlement agreement and approving the second supplemental agreement for additional funds related to the settlement of opioid litigation.

BACKGROUND: The City of High Point City Council approved a resolution approving the Memorandum of Agreement (MOA) regarding proceeds related to the Settlement of the Opioid Litigation on June 21, 2021. The “Wave One” settlements were a \$26 billion national agreement with the three largest drug distributors, McKesson, Cardinal Health, and AmerisourceBergen). The City approved a supplemental resolution on April 3, 2023, part of the “Wave Two” settlements. This was a \$21 billion national settlement with CVS, Walgreens, Walmart, Allergan and Teva.

This resolution will approve a second supplemental agreement to distribute opioid settlement funds related to Kroger Co. and its subsidiaries and affiliates. As with the Wave One and Wave Two settlements, North Carolina will receive its full share of payments only if all eligible governments sign onto the settlement. The distribution amount to the State of North Carolina is anticipated to be \$40.2 million, and High Point’s share will be \$70,436.92 through fiscal year 2034.

These funds can be used to create, expand, or sustain programs or services that serve persons with Opioid Use Disorder (OUD), or any co-occurring substance use disorder (SUD) or mental health conditions. Funded programs or services may include evidence-based addiction treatment, recovery support services, recovery housing support, employment-related services, early intervention, Naloxone distributions, post-overdose response team, syringe service program, criminal justice diversion programs, addiction treatment for incarcerated persons, and/or reentry programs.

BUDGET IMPACT: Additional \$70,436.92 through fiscal year 2034 for eligible programs.

RECOMMENDATION /ACTION REQUESTED: Staff recommends and asks the City Council to approve the supplemental resolution authorize appropriate city officials to execute all necessary documents.



**RESOLUTION BY THE CITY OF HIGH POINT
AUTHORIZING EXECUTION OF KROGER OPIOID SETTLEMENT AND
APPROVING SECOND SUPPLEMENTAL AGREEMENT FOR ADDITIONAL FUNDS**

WHEREAS, the opioid overdose epidemic has taken the lives of more than 37,000 North Carolinians since 2000; and

WHEREAS, the COVID-19 pandemic has compounded the opioid overdose crisis, increasing levels of drug misuse, addiction, and overdose death; and

WHEREAS, the Centers for Disease Control and Prevention estimates the total economic burden of prescription opioid misuse alone in the United States is \$78.5 billion a year, including the costs of healthcare, lost productivity, addiction treatment, and criminal justice involvement; and

WHEREAS, the opioid crisis has had, and continues to have, devastating impacts to High Point citizens and their families, as well as straining local government resources; and

WHEREAS, certain counties and municipalities in North Carolina joined with thousands of local governments across the country to file lawsuits against opioid manufacturers, pharmaceutical distribution companies, and chain drug stores to hold those companies accountable for their misconduct; and

WHEREAS, a settlement has been reached in litigation against the Kroger Co. (“Kroger”) as well as its subsidiaries, affiliates, officers, and directors named in the Kroger Settlement; and

WHEREAS, representatives of local North Carolina governments and the North Carolina Department of Justice have negotiated and prepared a Second Supplemental Agreement for Additional Funds (SAAF-2) to provide for the equitable distribution of the proceeds of these settlements; and

WHEREAS, by joining the settlements and approving the SAAF-2, the state and local governments maximize North Carolina’s share of opioid settlement funds to ensure the needed resources reach communities, as quickly, effectively, and directly as possible; and

WHEREAS, it is advantageous to all North Carolinians for local governments to sign onto the settlements and SAAF-2 to demonstrate solidarity in response to the opioid overdose crisis and maximize the share of opioid settlement funds received by state and local governments to help abate the harm; and

WHEREAS, the SAAF-2 directs substantial resources over multiple years to local governments on the front lines of the opioid overdose epidemic while ensuring that these resources are used in an effective way to address the crisis;

NOW, THEREFORE BE IT RESOLVED, that the City of High Point hereby authorizes the City Manager to execute all documents necessary to enter into opioid settlement agreements with Kroger, to execute the SAAF-2, and to provide such documents to Rubris, the Implementation Administrator.

Adopted this the 15th day of July, 2024.

Cyril Jefferson, Mayor

ATTEST:

Sandra Keeney, City Clerk