



**BUSINESS OF THE CITY COUNCIL
CITY OF MERCER ISLAND**

**AB 6506
July 16, 2024
Consent Agenda**

AGENDA BILL INFORMATION

TITLE:	AB 6506: Kroger Co. Opioid Settlement	<input type="checkbox"/> Discussion Only <input checked="" type="checkbox"/> Action Needed: <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution
RECOMMENDED ACTION:	Authorize the City Manager to execute and submit the necessary participation forms for the Kroger Co. Settlement.	

DEPARTMENT:	City Manager
STAFF:	Jessi Bon, City Manager Bio Park, City Attorney
COUNCIL LIAISON:	n/a
EXHIBITS:	n/a
CITY COUNCIL PRIORITY:	n/a

AMOUNT OF EXPENDITURE	\$ n/a
AMOUNT BUDGETED	\$ n/a
APPROPRIATION REQUIRED	\$ n/a

EXECUTIVE SUMMARY

The purpose of this agenda bill is to seek authorization to participate in the national opioid settlement with Kroger Co. (“Kroger”) for claims related to the opioid epidemic.

- Under the Kroger Settlement, the state of Washington and its local governments will receive up to \$47.5 million over 11 years, if all eligible local governments participate and release claims related to the opioid epidemic against Kroger.
- The funds will be split 50/50 between the state and local governments. Mercer Island’s share may be approximately \$41,500 if all eligible jurisdictions participate, and the maximum amount is collected from Kroger.
- Settlement funds allocated to local governments will be further allocated to each participating jurisdiction under the terms of the One Washington MOU Between WA Municipalities (MOU), which has already been signed by the City for previous opioid settlements.
- Settlement funds must be spent on approved purposes to abate and mitigate impacts from the opioid epidemic.

BACKGROUND

The Washington State Attorney General’s Office has reached a settlement with Kroger for claims related to the opioid epidemic. Under the settlement, Kroger will pay up to \$47.5 million to state and local governments

over 11 years. Washington cities and counties with a population over 10,000 can join this settlement. If enough join, local governments will receive up to \$23.75 million that must be spent on efforts to combat the opioid epidemic. The state will also receive \$23.75 million to be spent throughout Washington on combatting the opioid epidemic.

Local governments must spend the settlement money on approved uses, keep records of its spending, file reports with the settlement administrator, and comply with all terms of the national settlements. A local government can either spend the money itself or elect to pool its money with other local governments on a regional basis.

ISSUE/DISCUSSION

The deadline for local governments to join the Kroger Settlement is August 12, 2024. If every eligible local government does not join, the settlement amount may be reduced. For the City of Mercer Island to join the Kroger Settlement, the City must execute and timely submit the participation forms releasing all of the City's claims related to the opioid epidemic against Kroger.

Settlement funds will be allocated between the state and local governments, and amongst local governments, per the terms of (1) the Allocation Agreement and (2) the One Washington MOU, both of which have already been signed by the City for previous opioid settlements. See [AB 6241](#). Under the Allocation Agreement the settlement funds will be split evenly with the state receiving 50% (\$23.75 million) and eligible local governments as a group receiving 50% (\$23.75 million).

Terms of the One Washington MOU will be used to split the local government portion of the settlement funds among eligible local governments participating in the Kroger Settlement. Under the MOU, settlement funds are allocated based on the formula used in prior opioid litigations in other states. The formula as applied to the City of Mercer Island is described and explained in [AB 6070](#), and it is estimated that the City's share of settlement funds may be approximately \$41,500 for 11 years, if all eligible jurisdictions participate and the maximum settlement amount is collected from Kroger.

Settlement funds may only be used for approved purposes. Approved purposes relate to abating and mitigating impacts of the opioid epidemic. Examples include programs to treat and prevent opioid use disorder and impacts therefrom (similar to programs offered by YFS); programs to support those in recovery; assistance to criminal justice system in dealing with opioid related crimes; training first responders and law enforcement officers on responding to opioid emergencies; and purchase of medication and supplies to combat overdose.

NEXT STEPS

Once participation in the Kroger Settlement is authorized by the City Council, the participation forms signed by the City Manager will be submitted by the August 12, 2024 deadline.

RECOMMENDED ACTION

Authorize the City Manager to execute and submit the necessary participation forms for the Kroger Co. Settlement.