

City of North Saint Paul
December 16, 2021
Approved City Council Special Meeting Minutes

North St. Paul City Hall – Council Chambers
2400 Margaret Street

I. CALL TO ORDER

Mayor Furlong called the meeting to order at 5:00 p.m.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

Present: Council Member Thorsen ABSENT
Council Member Petersen
Council Member Cole
Council Member Wong
Mayor Furlong

Staff: Interim City Manager Brian Frandle, Deputy Clerk Jennie Kloos, City Attorney
Jared Shepherd

IV. ADOPT AGENDA

On motion by Council Member Petersen, seconded by Council Member Cole, with all present voting aye (4-0), motion carried to approve the agenda as presented.

V. CITY BUSINESS ACTION ITEMS & RECOMMENDATIONS

A. Prescription Opioid Litigation Settlement

City Attorney Jared Shepherd stated part of the settlement agreement was negotiated that a State's Attorney General could obtain local acquiescence for the \$26 million settlement. A review was held recently by the Minnesota Attorney General's office involving the League of Minnesota Cities, Association of Minnesota Counties, Association of Greater Minnesota Cities, and various litigating and non-litigating County and City representatives. The result of the review was the MOA agreement, which is included in the meeting packet.

Mr. Shepherd stated, as part of the agreement, local entities will receive get 75% of the \$300 million settlement, with the remaining 25% allocated to States, with non-litigating cities receiving no funds. The City of North St. Paul has chosen to litigate, to receive an allocation under the agreement. Based on the percentages, the City of North St. Paul would receive approximately \$120,000 over 18 years, beginning in 2022.

Mr. Shepherd stated an order was issued as part of the agreement that puts a cap on attorney's fees at 15%. A national fund was created as part of the settlement to provide reimbursement of a portion of fees for litigating attorneys. This fund will be overseen by a judge appointed by the Attorney General.

Mayor Furlong asked whether attorney fees up to 15% will come out of the \$120,000. Mr. Shepherd stated attorney's fees will be paid separately from the national fund and a backstop fund that is taken from a percentage of the overall recovery amount.

Mr. Shepherd stated City Staff recommends City Council approval of a Resolution authorizing participation in the settlement agreement, and authorizing City Staff to execute settlement agreements. The Resolution also authorizes participation in the State allocation agreement.

Mr. Shepherd stated this is not the end of litigation as there are still several defendants. The state allocation agreement would be applied if there are additional settlements.

Mr. Shepherd stated the proposed Resolution includes a statement of support for a statutory correction required to amend disbursement to align with the allocation agreement, to allow a certain percentage of the funds are applied to child welfare services.

Mayor Furlong asked whether there are restrictions regarding how the city can spend the money. Mr. Shepherd confirmed, as part of the State agreement, funding must be spent on opioid mitigation programs in North St. Paul and across the State of Minnesota. The state agreement has provisions for collaboration and communication to ensure the funding is spent in the appropriate manner.

Council Member Wong asked whether this agreement would require additional reporting from City Staff. Mr. Shepherd stated the City will be required to set up a fund for the money, and a reporting process for its use.

Mayor Furlong requested clarification that there will be approximately \$6,600 allocated annually for 18 years. Mr. Shepherd confirmed this.

On motion by Council Member Petersen, seconded by Council Member Wong, with all present voting aye (4-0), motion carried to adopt Resolution No. 2021-135 Authorizing Participation in the National Prescription Opioid Settlement.

VII. ADJOURNMENT

There being no further business, on motion by Council Member Cole, seconded by Council Member Wong, with all present voting aye (4-0), Mayor Furlong adjourned the special meeting at 5:15 p.m.

/s/ Terrence J. Furlong, Mayor

Attest:

/s/ Brian Frandle, Interim City Manager / Clerk