



**City of North St. Paul  
City Council Agenda  
Emergency Meeting**

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**August 4, 2025  
4:00 PM**

The Emergency City Council Meeting will be conducted on **August 4, 2025** at 4:00 p.m. in the City Council Chambers of City Hall, located at 2400 Margaret St., North St. Paul.

- I. Call to Order**
- II. Roll Call**
  - Council Member Nordby
  - Council Member Woods
  - Council Member McKenzie
  - Council Member Schweer
  - Mayor Monge
- III. Adopt Agenda**
- IV. Emergency Items for Council Consideration**
  - A. Emergency Meeting Statement
  - B. Adopt Contract with McDonald Hopkins
- V. Adjournment**

**Members may be participating by Interactive Technology.**

**The next regularly scheduled City Council meeting is August 19, 2025.**



| To                                     | Date           |
|----------------------------------------|----------------|
| Honorable Mayor Monge and City Council | August 4, 2025 |

**Agenda Placement # IV.A**

Emergency Items for Council Consideration

**Subject**

Emergency Meeting Statement

**Background/Facts**

The City Council may call emergency meetings to address circumstances that, in the judgment of the council, require immediate consideration. This meeting was called in response to a potentially ongoing cybersecurity concern, a matter requiring immediate consideration to safeguard the public interest and prevent further damage.

**Recommended Action**

N/A

**Attachments**

None

Respectfully submitted,



| To                                     | Date           |
|----------------------------------------|----------------|
| Honorable Mayor Monge and City Council | August 4, 2025 |

### Agenda Placement # IV.B

Emergency Items for Council Consideration

### Subject

Adopt Contract with McDonald Hopkins

### Background/Facts

The North St. Paul Police Department recently experienced a cyberattack that may have compromised some data. To ascertain the full scope of the attack, and to ensure that all cybersecurity threats have been addressed and that the attack cannot continue, City Staff are requesting that the council engage cybersecurity experts with the McDonald Hopkins firm.

### Recommended Action

### Attachments

1. City of North Saint Paul MN Engagement Letter
2. 2025.07.22 North Saint Paul MN McDonald Hopkins LLC SOW

Respectfully submitted,  
Brian Frandle, City Manager



McDonald Hopkins PLC  
39533 Woodward Avenue  
Suite 318  
Bloomfield Hills, MI 48304

P 1.248.646.5070  
F 1.248.646.5075

Eric R. Benson  
Direct Dial: 248.593.2957  
E-mail: [ebenson@mcdonaldhopkins.com](mailto:ebenson@mcdonaldhopkins.com)

July 23, 2025

**VIA EMAIL ([brian.frandle@northstpaul.org](mailto:brian.frandle@northstpaul.org))**

Brian Frandle | City Manager  
City of North Saint Paul, MN  
2400 Margaret Street  
North St. Paul, MN 55109

**Re: Engagement Terms: Business Email Compromise Incident**

Dear Mr. Frandle:

Thank you for selecting McDonald Hopkins PLC to assist in analyzing and responding to the business email compromise incident at the City of North Saint Paul, MN. We appreciate the opportunity to act as legal counsel for the City of North Saint Paul, MN to evaluate your legal obligations to notify individuals or regulators regarding the incident that may have resulted in disclosure of personal and/or health information. This is a contract for legal services and an effort to explain to you both the financial aspects of the attorney-client relationship and the responsibilities and expectations of both parties to the relationship. Please examine this letter carefully and let me know immediately if you have any questions or concerns before you sign it. No work will be performed on this matter and no attorney-client relationship is established until you have signed and returned this agreement.

**Fees.** Hannah Babinski and I will be the attorneys principally responsible for this matter. Because you are insured by League of MN Cities, you will receive the benefit of the League of MN Cities Preferred Rates. My hourly rate is \$530 and Hannah's hourly rate is \$300. We will bill this matter at a 10% reduction in the aforementioned hourly rates. As appropriate, we may delegate work to other attorneys or legal assistants. Each attorney and legal assistant charges an hourly rate for his or her work. Their rates will also be reduced by 10%. Work is billed in a minimum of six-minute increments. If the Firm increases its hourly rates at any time during the course of this representation, the higher rates shall be deemed substituted for the initial rates described in this fee agreement.

We will make every effort to perform our services in a cost-efficient manner, including using services of people with the lowest rates who are capable of performing the task. These rates are subject to periodic and discretionary adjustment. We are often asked to estimate the total fees and expenses that may be charged for a matter. While we will attempt to give you a reasonable estimate based on past experience and what we might anticipate in this instance, unless we agree in writing otherwise, any such estimate does not represent a maximum,

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minimum or fixed-fee quotation. Ultimate fees and expenses may be more or less than the amount estimated.

**Expenses.** All expenses that this Firm advances or incurs in connection with this matter shall be reimbursed to us at our actual cost. Expenses which are to be reimbursed include, but are not limited to, filing fees, service fees, document procurement, photocopy charges, messenger fees, long distance telephone and fax charges, computer research charges, court reporter charges, expert and witness fees and, where necessary, travel, mileage, parking and accommodation expenses. These expenses will be identified and invoiced with each monthly bill. In the case of expert witnesses or other expenses that exceed \$1,000, we reserve the right to submit those fees directly to you for payment. Please note that any failure to pay expert witnesses will likely result in their refusal to perform any work and may severely prejudice the success of your matter.

**Invoices.** You and League of MN Cities will receive a monthly bill detailing the work that was performed on this matter, the identity of the person performing the work, the amount of time spent, the charge for that time and a description and amount of any expenses incurred. If you have any concerns about our representation or any bill, we ask you to notify us right away. We will try to resolve any such concerns to everyone's satisfaction. Invoices are due upon receipt. You agree to timely pay us for any fees or expenses invoiced and not covered by League of MN Cities.

**What you should expect from us.** The Firm will work diligently on this matter and will promptly keep you, or someone you designate, informed regarding the progress of your matter.

You should expect to be treated with respect and courtesy from all members of the Firm and you should promptly inform us of any transgression on our part.

We cannot guarantee the outcome of this matter. We shall advise you of the recommended technical and legal tactical issues as they arise so you may continue to evaluate whether and how you wish to continue the legal representation. However, attorneys are subject to independent ethical obligations and an attorney is not obligated to pursue objectives or employ means simply because the Client may wish the attorney do so if the attorney would be violating another duty by pursuing the requested action.

Generally, the information clients give to our Firm is subject to the attorney-client privilege. You should be aware that attorneys are under an independent ethical duty to reveal privileged information, such as illegal or fraudulent acts committed by clients in the course of the attorney-client relationship, the intention of the client to commit a crime, or when the lawyer is required to divulge the information by law or court order.

**What we expect from the Client.** In order for an attorney-client relationship to work effectively, the Client must be truthful in all discussions with us, even if, and especially when, they think the information is hurtful to the company's matter. We need to have all information in a timely manner. If we are missing part of the picture, we cannot represent a Client effectively.

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**Files and Records.** When the Firm's services are concluded or terminated, the Firm will close its file on the matter. At the time of closing or thereafter, you have the right to review the file and/or have a copy of anything from it you wish to retain, with the exception of the personal notes and memorandums of the legal staff, for a reasonable per page copy cost and, if in off-site storage, our retrieval cost. If a Client owes the Firm for expenses or fees, the Firm is not required to release the Client's file provided certain ethical requirements are met. The file will be maintained as long as legally required, but in no case can the Client expect that the Firm will keep the file beyond three (3) years after the representation of the Client in that matter has ended. Thereafter, the file may be destroyed without further notice to the Client. NOTE: This is the only notice you will receive regarding future destruction of your file. Please note that we reserve the right to maintain the closed file in an electronic format only and to destroy the hard copy of the file.

**Discontinuing or Withdrawing from the Representation.** The services of the Firm may be discontinued by the Client at any time. Note that in a litigation matter, your ability to substitute counsel may be subject to court approval. Under certain circumstances, the court may not grant the substitution of counsel or agree to delay the proceeding to accommodate the hiring of new counsel.

The Firm reserves the right to withdraw from this representation if invoices are not paid on a timely basis or retainers are not replenished per this agreement or if there has been a breakdown of the attorney-client relationship.

Discontinuing the representation does not affect the Client's responsibility to pay for the legal services rendered and the expenses incurred up to the date of termination.

You are engaging our Firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you actually engage us after the completion to provide additional advice on issues arising from the matter, the Firm has no continuing obligation to advise you with respect to future legal or other developments.

**Conflicts.** Before preparing this engagement letter, we conducted an internal check of our records to determine whether or not a conflict existed with one or more of our existing clients. Based on that check, it appears no such conflict exists.

Under our profession's Rules of Professional Conduct, we must have undivided loyalty to our clients. This requirement means that an attorney must refuse to accept or continue employment if the interest of another client may impair the independent professional judgment of the attorney. In this regard, McDonald Hopkins PLC represents many other companies and individuals. It is possible that during the time we are representing you, some of our present or future clients will have disputes or transactions with you. As a result of these disputes or transactions, conflicts of interest may arise, and when they do, we will address them with you in a manner consistent with our obligations under the Rules. In circumstances in which the Rules relating to conflicts dictate that we do not represent the other client, we will not do so. In circumstances in which a waiver may be solicited, we may solicit a waiver from you. In

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circumstances in which a waiver is not required, we may represent the other client. We will protect, however, as required by these Rules, your confidential information or documents entrusted to our care.

**Court awarded fees.** If the court should order payment directed to you of attorneys fees by a third party, all court awarded fees will first be applied to any outstanding bill for fees and expenses owed to the Firm.

**Attorney's Lien.** The Firm shall have a lien on all funds obtained by judgment, settlement or award for all unpaid fees and expenses generated pursuant to this agreement.

**Entire Agreement.** This agreement is complete in its entirety between the Firm and the Client and supersedes all other verbal or written agreements. It may be modified only in writing signed by both a representative of the Firm and the Client. Any part of this agreement shall be severable and remain in effect if any other part or parts are held unenforceable for any reason.

If you are in agreement with the terms of this letter, please sign where indicated below and return to me. As always, please advise should you have any questions or concerns. We appreciate the opportunity to work with you on this important matter.

**NOTE: By the signature below, you acknowledge that you have read this Agreement, understand its contents, and have had any questions answered to your satisfaction.**

Very truly yours,



Eric R. Benson

ERB/ar

Agreed to as of \_\_\_\_\_, 2025

**CITY OF NORTH SAINT PAUL, MN**

By: \_\_\_\_\_  
Brian Frandle  
City Manager



## EXHIBIT A STATEMENT OF WORK

This Statement of Work (“SOW”), dated July 22, 2025, is entered into pursuant to the Master Services Agreement (“Agreement”), dated July 22, 2025, and among Arete Advisors, LLC, a Florida limited liability company having a place of business at 4800 T-Rex Avenue, Suite 350, Boca Raton, FL 33431 (“Arete”), McDonald Hopkins LLC, a law firm having a place of business at 39533 Woodward Avenue, Suite 318, Bloomfield Hills, MI 48304 (“Counsel”), as counsel for and on behalf of North Saint Paul, MN, having a place of business at 2400 Margaret Street, North St. Paul, MN 55109 (“Client”) (Arete, Counsel, and Client are each a “Party,” and collectively the “Parties”). All capitalized terms not otherwise defined in this SOW shall be defined as set forth in the Agreement.

### 1. Services.

Overview: Arete Advisors will perform forensics investigative services including:

- Analysis to determine the scope of attack and whether there was exfiltration of data.

#### **I. Incident Response Support**

- Arete will provide support for the overall Business Email Compromise (BEC) Investigation effort including status updates via email, recommendations, validation of measures taken and a review of security controls.
- Investigative efforts include one (1) forensic findings call, and one (1) forensic follow up call. If additional calls are required, the scope must be expanded.

#### **II. Forensics Analysis Artifacts and Malware - Logs**

- Arete will perform analysis of the available email logs consisting of message trace logs, unified audit logs, and exchange logs looking for malicious behavioral patterns, evidence of compromise, indications of financial or wire fraud, rule creation, and evidence of access to and/or exfiltration of sensitive data.
- Arete will analyze one (1) email instance for evidence of threat actor behavior. This analysis is limited to one (1) M365 Email Tenant (“Tenant Environment”) or one (1) MS Exchange Server (“Exchange Environment”) only. Additional hours are required for analysis of any environment other than Tenant Environment or Exchange Environment.
- Searching of the Tenant Environment for compromised accounts (referred to as Tenant clearing) is included for environments of 250 accounts and below. Additional hours will be required for Tenant clearing of Tenant Environments beyond 250 accounts.
- Arete will examine the mailbox of (1) identified compromised account within the Tenant Environment or Exchange Environment for phishing emails and external outbound email transfers. Additional hours are required for examination of activity beyond the single identified compromised account or accounts, including multiple frauds, multiple accounts, or wire transfers.



### III. OPTIONAL - Report of Findings

- Arete's analysis will include the production of a forensic update presentation and technical appendix to Client and Counsel, if requested by Counsel, containing the findings of the forensics investigation and security validation.
- Arete will produce a written report for an additional fee, if requested by Counsel.

### IV. OPTIONAL - Targeted Message Extraction

- Only if requested by counsel, a report will be generated indicating MessageID's that were accessed (if available). Arete will perform a custom extraction to process and export the accessed messages for further review. Flat fee pricing for this service is as follows:
  - 0-100 GB of data: \$2,500
  - 100+ GB of data: custom quote

## 2. Hourly Rates.

Arete shall perform all work at the **League of MN Cities** discounted rate as detailed below:

| Task                                                                                                                                                                                                                                                                                                                                                                                                 | Notes                  | Rate/Hour | Hours Estimate | Task Price    | Optional Task | Total with Optional |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-----------|----------------|---------------|---------------|---------------------|
| Business Email Compromise                                                                                                                                                                                                                                                                                                                                                                            |                        |           |                | \$5,000.00    |               | \$5,000.00          |
| OPTIONAL - Report of Findings                                                                                                                                                                                                                                                                                                                                                                        |                        |           |                |               | \$2,430.00    | \$2,430.00          |
| OPTIONAL - Targeted Message Extraction                                                                                                                                                                                                                                                                                                                                                               |                        |           |                |               | \$2,500.00    | \$2,500.00          |
|                                                                                                                                                                                                                                                                                                                                                                                                      | Estimated Labor        |           |                | \$5,000.00    | \$4,930.00    | \$9,930.00          |
|                                                                                                                                                                                                                                                                                                                                                                                                      | Travel Expense at Cost |           |                | TBD if needed |               |                     |
|                                                                                                                                                                                                                                                                                                                                                                                                      | Estimated Labor Cost   |           |                | \$5,000.00    | \$4,930.00    | \$9,930.00          |
| * Estimated Price is a time and materials estimate. Travel and Other Direct Costs (ODC) costs, if specified, are in addition to labor and are generally estimated to be less than 20% of the labor price. Travel hours will be billed at 50% of the labor rate. Our estimate is based upon information known at this time. We will not exceed estimated price without prior client written approval. |                        |           |                |               |               |                     |

3. Schedule for provision of Services and Deliverables. Work will commence on a mutually agreed upon date. All work to be completed on a time and materials basis shall be accompanied by an estimate.

4. Materials. Arete may purchase equipment, materials, software, and other non-labor items necessary for providing Services under a SOW ("Materials"). The Client and Counsel must first approve the purchase of any such Materials. The ownership of Materials purchased by Arete in connection with the Services performed under the SOW shall be set forth therein.



5. Travel and Expenses. Client, and not Counsel, shall reimburse Arete for pre-approved direct expenses reasonably incurred in connection with the performance of Services (“Expenses”). Arete shall keep records sufficient to substantiate all Expenses claimed.

6. Invoices. Invoices from Arete shall include a summary of all costs, fees, and/or Expenses to be reimbursed by Client. Invoices shall be sent via direct or electronic mail to the following point of contact:

**Client Point of Contact:**

North Saint Paul, MN  
2400 Margaret Street  
North St. Paul, MN 55109  
Attention: Brian Frandle  
Email: brian.frandle@northstpaul.org  
Phone: 651-747-2436

7. Payment. Unless otherwise specified herein, Arete shall submit invoices to Client for Services on a monthly basis. Such invoices shall be supported by appropriate documentation as required by the Client and Counsel. Client shall pay Arete for the Services performed within thirty (30) days of the date of invoice. Arete acknowledges and agrees that Counsel has no payment responsibilities under this Agreement and will look solely to Client for payment hereunder.

**Payment Obligations:**

Notwithstanding the foregoing, any failure to make such contact or obtain such approval from the Client’s insurance provider shall not provide any limitations to Arete's right to collect payment under this SOW. Similarly, any failure of Client's insurance provider to pay the applicable amounts to Arete, payment shall be Client's sole and exclusive liability and Client shall promptly make any such payments directly to Arete upon a provider's failure to pay.

Please remit payments to:

| <b>By Check:</b>                                                                                                                                                                                                                                                                             | <b>By EFT:</b>                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Regular Mail:</b><br/>Arete Advisors, LLC<br/>P.O. Box 919860<br/>Orlando, FL 32891</p> <p><b>Overnight Delivery Address (FedEx and UPS):</b><br/>EIS Lockbox/Cust Svc<br/>FL-Orlando-7146<br/>Attn: Arete Advisors, LLC, 919860<br/>7699 Golf Channel Drive<br/>Orlando, FL 32819</p> | <p>Arete Advisors, LLC<br/>Truist Bank<br/>ABA/Routing Number: 263 191 387<br/>SWIFT: BRBTUS33<br/>Account Number: 1100028989383</p> |



Late Payments: Except for invoiced payments that the Client has successfully disputed, all late payments shall bear interest of 1% per month after the payment due date. The Client shall also reimburse Arete for all reasonable costs incurred in collecting any late payments, including, without limitation, attorneys' fees.

The following Arete point of contact shall be responsible for the billing and collection of payment by Client:

|                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------|
| Arete Accounts Receivable<br>Arete Advisors, LLC<br>4800 T-Rex Avenue, Suite 350<br>Boca Raton, FL, 33431<br>Email: AR@areteir.com |
|------------------------------------------------------------------------------------------------------------------------------------|

8. Taxes. The pricing set forth herein or otherwise provided by Arete under this Agreement for Services does not include applicable federal and state sales and use taxes (collectively "Taxes"). Arete will include Taxes as a separate line item in its invoice(s) to Client, and Client will pay all Taxes incurred or due under the Project.

☐ **By checking this box, Client confirms it is a tax-exempt organization. Upon providing documentation confirming its tax-exempt status, Arete shall not include applicable taxes upon the Services provided.**

[SIGNATURE PAGE FOLLOWS]

|                                                                                                                                                          |                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>ARETE ADVISORS, LLC</b></p> <p>Signed: _____</p> <p>Evelyn Minnick<br/>Chief Administrative Officer<br/>Arete Advisors, LLC</p> <p>Date: _____</p> | <p><b>MCDONALD HOPKINS LLC</b></p> <p>Signed: _____</p> <p>Eric R. Benson<br/>Counsel<br/>McDonald Hopkins LLC</p> <p>Date: _____</p> <p><b>NORTH SAINT PAUL, MN</b></p> <p>Signed: _____</p> <p>Brian Frandle<br/>City Manager<br/>North Saint Paul, MN</p> <p>Date: _____</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|