

**CITY OF ANNANDALE
COUNCIL SPECIAL MEETING AGENDA**

**Meeting #2
Special Meeting**

**January 24, 2022
4:00 PM**

**Mayor: Shelly Jonas
Councilmember's: Matthew Wuollet
Corey Czycalla
JT Grundy
Tina Honsey**

1. CALL TO ORDER/ROLL CALL/ADOPT AGENDA

2. NEW BUSINESS

- A. Resolution Approving The Memorandum Of Agreement (Moa) Between The State Of Minnesota And Local Governments And Authorizing Participation In National Opioid Settlements
- B. Norway Drive Easement and Quit Claim Deed

3. ADJOURNMENT

CITY OF ANNANDALE

REQUEST FOR COUNCIL ACTION

Originating Department: Administration	Meeting Date: January 24, 2022	Agenda No. 2A
Agenda Section: New Business	Item: Resolution opting into Opioid Settlement	
Background: Minnesota is part of a multi-state coalition that reached a nationwide settlement with the three largest opioid distributors. Attached are resources that describe this settlement in more detail. In summary, the total settlement of 26 billion dollars will be paid over 10-18 years. At this point, cities under 30,000 in population will not receive a direct payment from the settlement, but funds will be provided to the state and counties that will likely create grants and programs that may benefit small cities. It is recommended cities pass the attached resolution optioning into the settlement by January 25, 2022. Council Action Requested: motion to approve the resolution as presented.		

CITY OF BUFFALO
RESOLUTION # 2020-__
RESOLUTION APPROVING THE MEMORANDUM OF AGREEMENT (MOA) BETWEEN THE STATE
OF MINNESOTA AND LOCAL GOVERNMENTS AND AUTHORIZING PARTICIPATION IN
NATIONAL OPIOID SETTLEMENTS

WHEREAS, the State of Minnesota, Minnesota counties and cities, and their people, have been harmed by misconduct committed by certain entities that engage in the manufacture, marketing, promotion, distribution, or dispensing of opioids; and

WHEREAS, the State of Minnesota and numerous Minnesota cities and counties joined with thousands of local governments across the country to file lawsuits against opioid manufacturer and pharmaceutical distribution companies and hold those companies accountable for their misconduct; and

WHEREAS, representatives of local Minnesota governments, the League of Minnesota Cities, the Association of Minnesota Counties, the Coalition of Greater Minnesota Cities, the State of Minnesota, and the Minnesota Attorney General's Office have negotiated and prepared a Memorandum of Agreement (MOA) to provide for the equitable distribution of proceeds to the State of Minnesota and to individual local governments from recent settlements in the national opioid litigation; and

WHEREAS, by signing onto the MOA, the state and local governments maximize Minnesota's share of opioid settlement funds, demonstrate solidarity in response to the opioid epidemic, and ensure needed resources reach the most impacted communities; and

WHEREAS, it is in the best interests of the State of Minnesota and the residents of the City of Buffalo, and the County of Stearns, that the City participate in the national opioid litigation settlements.

NOW, THEREFORE, be it resolved by the City Council of the City of Buffalo, Minnesota:

1. Participation in the opioid litigation settlements promotes the public health, safety, and welfare of the residents of the City of Buffalo.
2. The City of Buffalo supports and opts-in to the national opioid litigation settlements with the Distributors McKesson, Cardinal Health, and Amerisource Bergen, and with the Manufacturer Johnson & Johnson.
3. The Memorandum of Agreement (MOA) between the State of Minnesota and Local Governments relating to the distribution of settlement funds is hereby approved by the City of Buffalo.
4. City Staff is hereby authorized to take such measures as necessary to sign the MOA and otherwise participate in the national opioid settlements, including executing the Participation Agreement and accompanying Release.

Adopted by the City Council December 20, 2021

Laureen Bodin, City Administrator

Teri Lachermeier, Mayor

Attest:

Susan Johnson, City Clerk



The Office of
Minnesota Attorney General Keith Ellison
helping people afford their lives and live with dignity and respect • www.ag.state.mn.us

December 8, 2021

Dear Minnesota Cities and Counties:

I'm pleased to announce that counties, cities, and the State of Minnesota have reached an agreement that will govern how funds from recently announced settlements with opioid companies will be distributed within Minnesota. In order to finalize this agreement, I am asking you to sign the enclosed State-Subdivision Memorandum of Agreement (MN MOA) and also to join both settlements with opioid distributors McKesson, AmerisourceBergen, and Cardinal Health, and opioid manufacturer Johnson & Johnson by **January 2, 2022**. Minnesota stands to receive more than \$300 million from these settlements, the vast majority of which will go to cities and counties, but we need your cities and counties to sign on to the settlements to maximize the resources to fight the epidemic. Simply put, the more cities and counties that sign on by January 2, 2022, the more money we will have for treatment, prevention, and a whole host of programs and strategies to abate this crisis.

Over the last few months, my Office has been working tirelessly with cities and counties to come to an agreement on allocation and distribution of opioid settlement funds. We have been working alongside the Association of Minnesota Counties, the League of Minnesota Cities, the Coalition of Greater Minnesota Cities, representatives from litigating cities and counties, members of the Opioid Epidemic Response Advisory Council, the Governor's Office, and numerous state agencies, among others. The MN MOA is the result of this work.

Since 2000, the opioid epidemic has cost more than 5,400 Minnesotans their lives, and has torn families apart and ravaged communities. The last year has been especially hard, as the COVID-19 pandemic has caused a surge in opioid overdoses, both fatal and nonfatal. No amount of money will ever be enough to make up for the damage and destruction caused by these companies, but these historic agreements are at least a measure of accountability, if not justice.

Enclosed with this letter are several documents with more information about these agreements. Additional information about the settlements and how they will be implemented in Minnesota can be found on our website at www.ag.state.mn.us/opioids. Also, please do not hesitate to contact my Office with any questions you may have. You can send an email to opioids@ag.state.mn.us, or leave a voicemail at (612) 429-7126.

Sincerely,

KEITH ELLISON
Attorney General

Enclosures: *Minnesota Opioids State-Subdivision Memorandum of Agreement*
Executive Summary
One-Page Overview
Frequently Asked Questions
Checklist



The Office of
Minnesota Attorney General Keith Ellison
helping people afford their lives and live with dignity and respect • www.ag.state.mn.us

Minnesota Opioid Settlement Executive Summary

Minnesota has joined a broad multistate coalition in reaching nationwide settlements with the three largest opioid distributors – AmerisourceBergen, Cardinal Health, and McKesson – and opioid manufacturer Johnson & Johnson. The settlements resolve investigations and lawsuits against these companies for their role in the opioid crisis. If the settlements are fully adopted nationally, the distributors will pay \$21 billion over 18 years and Johnson & Johnson will pay \$5 billion over 10 years. Most states have already joined the settlements, but for the agreements to become effective, a critical mass of cities and counties must sign onto the settlements by January 2, 2022.

Settlement Structure

If a critical mass of subdivisions sign on and the settlements become effective:

- Minnesota will be eligible to receive more than \$296 million over 18 years. Up to \$222 million of that will be paid directly to Minnesota cities and counties. The total amount of payments to Minnesota will be determined by the overall degree of participation by cities and counties. The more cities and counties that join, the more money everyone in Minnesota will receive. Distribution within Minnesota will be determined by the state-subdivision agreement (see below).
 - Each state’s share of the funding was determined by agreement among the states using a formula that takes into account the impact of the crisis on the state—the number of overdose deaths, the number of residents with substance use disorder, and the number of opioids prescribed—and the population of the state.
- Payments will begin to flow to the state and cities and counties as soon as April 2022. The Johnson & Johnson settlement provides for payments to be accelerated if cities and counties sign on early.
- The vast majority of the settlement funds must be used to support any of a wide variety of strategies to fight the opioid crisis. The Attorney General’s Office convened an expert panel of local, state, and community providers with experience and expertise in public health and delivery of health care services to determine the best and most effective use of the settlement funds. The panel selected a comprehensive list of future opioid abatement and remediation programs that will benefit all regions of the state.
- In addition to the financial components, the settlements also require the companies to make changes in how opioids are distributed and sold. The companies will be subject to far more oversight and accountability throughout that process to prevent deliveries of opioids to pharmacies where diversion and misuse occur. The distributors will be required to establish and fund a centralized, independent clearinghouse using detailed data analytics to keep close track of opioid distribution throughout the country and raise red flags for

suspicious orders. Johnson & Johnson will be prohibited from selling or promoting opioids for ten years.

Minnesota Framework

Minnesota has been preparing for these settlements and the opportunity they present to deliver substantial funding to needed abatement and remediation programs. In 2019, the Legislature passed the Opiate Epidemic Response bill, creating a special opioid abatement account and the Opioid Epidemic Response Advisory Council, which will oversee the spending of the state's share of settlement funds.

Additionally, a months-long partnership between the state and cities and counties has resulted in a state-subdivision agreement (or "Minnesota Memorandum of Agreement") that is designed to maximize the settlement funds coming to the State of Minnesota and get them to where they are needed most. The state-subdivision agreement details how the settlement money will be allocated within the state and also sets out a structure for the distribution of opioid abatement funds from pending bankruptcy plans with Purdue Pharma and Mallinckrodt. A copy of the state-subdivision agreement can be found on the Attorney General's website at www.ag.state.mn.us/opioids.

Pursuant to the state-subdivision agreement—and assuming maximum payments—approximately \$296 million in funds paid to Minnesota and its cities and counties from the Distributor and Johnson & Johnson settlements, as well as tens of millions of additional dollars from the Purdue Pharma and Mallinckrodt bankruptcies, will be allocated as follows:

- **Local Government Abatement Fund.** Seventy-five percent (75%) of the abatement funds will be paid directly to counties and certain municipalities that participate in the settlement. Local government funds will be directly allocated to all participating counties, and all participating municipalities that: (a) have populations of 30,000 or more, (b) have filed lawsuits against the settling defendants, or (c) have public health departments. To promote efficiency in the use of abatement funds and limit the administratively burdensome disbursements of amounts that are too small to add a meaningful abatement response, smaller, non-litigating municipalities will not receive a direct allocation of settlement funds. The allocation percentages for each county and municipality were determined by counsel for the subdivisions negotiating the national settlement agreements and were calculated using data reflect the impact of the opioid crisis on the subdivision.
- **State Fund.** Twenty-five percent (25) of the abatement funds will be paid directly to the State. Pursuant to state law, these funds will go into the special opioid abatement account to be overseen and distributed by the Opioid Epidemic Response Advisory Council. Under current law, after certain appropriations are made, approximately 50% of the funds paid into the opioid abatement account are distributed to county social service agencies to provide child protection services to children and families who are affected by addiction.

The state-subdivision agreement anticipates a change to this law to allow counties to receive their share of the settlement funds directly. The agreement requires the state and subdivisions to work together to achieve this change in law during the 2022 legislative session, and includes a provision changing the allocation between state and local governments if the statutory change is not accomplished.

Some municipalities in Minnesota retained attorneys on a contingency fee basis to file lawsuits against the opioid companies. The national settlements establish an Attorney Fee Fund for attorneys representing cities and counties that join the settlements. The settlements require attorneys who recover from this fund to waive enforcement of their contingency fee agreements. The state-subdivision agreement includes a Backstop Fund, which will be overseen by a Special Master, that will allow for the payment of reasonable attorney fees to private attorneys to make up for the difference between what they receive from the national fund and their contingency fee agreements, which are capped at 15%. Any funds that remain in the Backstop Fund after payment of reasonable attorney fees will revert to cities and counties for abatement.

Subdivision Participation

It is vital for subdivisions to join the settlements during the initial sign-on period, which ends January 2, 2022. First, very high levels of subdivision participation nationally are necessary for the companies to move forward with the settlements and for everyone to benefit from them. Second, cities or counties cannot receive any portion of the direct settlement funds if they do not sign on to the settlements. Third, in order to maximize the settlement payments that come to Minnesota, full joinder by certain categories of counties and cities is needed. Finally, joinder during the initial sign-on period maximizes the amount of funds available to an individual city or county.

Next Steps

Now: Cities and counties should have received a settlement notice with additional information about the sign on process, which begins by registering on the national settlement website: www.nationalopioidsettlement.com. Registering is a necessary step toward participation in the settlements. The notice each subdivision received by mail and email provides its unique subdivision registration code, which must be used to register. Registering does not mean that the subdivision has accepted the terms of the national settlement agreements or the state-subdivision agreement.

Next: Each subdivision, via its local legislative body, should adopt a resolution that authorizes a representative of the subdivision to execute Minnesota's state-subdivision agreement and *both* subdivision settlement participation forms (Distributors and Johnson & Johnson), which are required to join the settlements. Cities and counties can obtain model resolutions by contacting the Association of Minnesota Counties or the League of Minnesota Cities. The resolutions should be submitted to the subdivisions' legislative body (*i.e.*, county commission or city council) for approval.

By January 2, 2022: After the appropriate resolution is passed by each subdivision, the authorized representative should sign the Minnesota Memorandum of Agreement, the Distributor Agreement, and the Johnson & Johnson Agreement. The Distributor and Johnson & Johnson agreements can be signed electronically via DocuSign. Subdivisions should receive an email with a link to sign electronically upon registering at www.nationalopioidsettlement.com. Subdivisions are encouraged to sign onto the Minnesota Memorandum of Agreement and the settlement agreements as soon as possible to avoid scheduling challenges and to ensure that we meet the national subdivision participation threshold for the settlements to become effective.

Additional information about the settlements and how they are implemented in Minnesota can be found on the Attorney General's website: www.ag.state.mn.us/opioids. Subdivisions that are represented by an attorney with respect to opioid claims should consult with their attorney. Additionally, specific questions for the Attorney General's Office can be emailed to opioids@ag.state.mn.us, or left via voicemail at (612) 429-7126.

CITY OF ANNANDALE

REQUEST FOR COUNCIL ACTION

Originating Department: Administration	Meeting Date: January 24, 2022	Agenda No. 2B
Agenda Section: New Business	Item: Norway Drive Easement and Quit Claim Deed	

Background:

The property at 892 Norway Drive is selling and there were two issues that were discovered during the title work.

Issue 1- the East 16.5 feet of Norway Drive from the future school site to Hwy 55 is owned by the school district. This likely occurred from an old title issue as this part of the city developed. The school became owners of this property through the purchase of the future school site. The city's attorney is recommending the school provide a quit claim deed dedicating this parcel as right-of-way to the city.



Issue 2- a parcel just north of Norway Drive was deeded to the city in 1985. The title company requested an easement from the city because the current owners use this parcel to access their sheds. The city's future intent is to have this parcel be ROW. The city attorney drafted the attached easement which would allow the property to access their sheds but the easement would terminate once the price was developed as a road.

The second part of this issue, it appears at the time of transferring the deed from Lundeen's to the city there was an oversight that both Lundeens and Lundeen Bros, Inc owned the property. Since tue deed was only issued by Lundeens, the City currently owns this parcel jointly with Lundeen Bros, Inc. the City attorney recommends having Lundeen Bros, Inc sign a quit claim deed transferring the property to the city.

Council Action Requested: The property is schedule to close one art February. In an effort to attempt to remedy these issues before closing, staff is requesting approval of the Mayor and administrator to execute the attached quit claim deeds if the current owners (ISD 876 and Lundeen Bros, Inc) are in agreement. The city does not intend to purchase either parcel.

Staff recommends the city execute the easement with the owners of 892 Norway Drive if Lundeen Bros, Inc executes the quit claim deed, the owners provide reimbursement to the city for all costs incurred with drafting of the easement and they are responsible for recording the easement.

QUIT CLAIM DEED
Corporation to Municipal Entity

ECRV: Exempt Minn. Stat. 272.115, Subd. 5
DEED TAX DUE: \$1.65

Date: January _____, 2022

FOR VALUABLE CONSIDERATION, Lundeen Brothers, Inc., a Minnesota corporation, Grantor, hereby conveys and quitclaims to the City of Annandale, a Minnesota municipal corporation, Grantee, real property in Wright County, Minnesota, legally described as follows:

Outlot A, LUNDEEN'S ADDTION, according to the plat thereof, on file and of record in the Office of the Wright County Recorder.

together with all hereditaments and appurtenances.

The Grantor certifies that the Grantor does not know of any wells on the described real property.

Check here if part or all of the land is Registered (Torrens)

The consideration given for this deed was \$3,000 or less.

GRANTOR
Lundeen Brothers, Inc.,
a Minnesota corporation

By _____
Its _____

EASEMENT FOR INGRESS AND EGRESS

January _____, 2022.

The City of Annandale, a Minnesota municipal corporation, Grantor, hereby grants to _____, Grantee, an easement for ingress and egress purposes over the property legally described as:

Outlot A, LUNDEEN'S ADDITION, according to the plat thereof, on file and of record in the Office of the Wright County Recorder.

the "Easement Property".

Said easement is for the benefit of the following described property:

[need legal]

This Easement shall terminate automatically upon Grantor's extension of right of way through the Easement Property. Grantee agrees to execute a termination of easement upon request of Grantor.

Neither Grantee, nor their successors or assigns shall have any claim for compensation from Grantor for any delay or interruption of ingress or egress caused by Grantor's construction activities on the easement property.

Grantee shall defend, indemnify and hold Grantor harmless from any claims for property damage or personal injury arising out of use of the easement property by Grantee and its invitees.

The terms of this Easement shall run with the land and be binding upon the parties' successor and assigns.

THIS INSTRUMENT WAS DRAFTED BY:

Susan M. Dege -0290385
Jovanovich, Dege & Athmann, PA
1010 W St. Germain, Ste. 420
St. Cloud, MN 56301
Telephone: 320-230-0203