



OFFICE OF THE CITY CLERK

DAWN M. JONES, CITY CLERK

HEALTH & PUBLIC SAFETY

MARCH 28, 2022, 3:30 P.M.

Committee Members Present: Sheila Niezgodski, Eli Wax, Troy Warner, Henry Davis Jr.

Committee Members Absent: Rachel Tomas Morgan

Other Council Present: Sharon L. McBride, Karen L. White, Canneth Lee, Lori K. Hamann

Other Council Absent: Rachel Tomas Morgan

Others Present: Dawn Jones, Bianca Tirado, Victoria Trujillo, Bob Palmer

Presenters: Aladean de Rose, Jay Lewis

Agenda: Bill No. 22-16 Resolution to Opt Back-in to the State of Indiana's Opioid Litigation Settlement

Committee Chair Eli Wax called to order the Health & Public Safety meeting at 3:30 p.m.

Full audio dialogue of the meeting is available upon request from the City Clerk's Office.

Bill No. 22-16

City Clerk Jones roll called the council with four members present.

Aladean de Rose City Attorney, offices on the 12th floor, Outside Counsel Jay Lewis, Law Firm THK 212 E. LaSalle South Bend,

Aladean De Rose, reminded the council that the city was looking for a recommendation to opt out the states, then litigation settlement plan for the opioid litigation. The State chose not to involve and engage the cities over the last year in settlement proceedings. The State now has chosen a fairer and more equitable plan. March 10th, 2022, the house enrolled Bill 1193 A which proved a fifty-fifty (50/50) split in the opioid settlement proceeds that the State would recover. Fifteen (15) percent of fifty percent (50%) that goes to both the State and local government will be used on unrestrictedly and that can be used to pay for past harm. It can be used as the city deems appropriate. Seventy percent (70%) of what the state receives out of its 50% and 70% of what municipalities like South Bend would receive out of their share is four programs. That are for treatment, prevention and care based on best practices, the distribution of monies to the individual cities, towns and counties within the state is now based on a harm approach, harm approximation formula that takes into effect three different factors. One is the amount of opioid distributed within a community to is the number of opioid deaths that occurred within that

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community. And three, the number of persons that suffer opioid use disorder and maybe we'll go back to the beginning of what is the opioid epidemic that affected South Bend in the entire state and that is that in between the years of around the 1990s through mid through the mid-2015, large manufacturers were marketing very aggressively opioid based medication as treatment for pain.

City Attorney de Rose reminds the council to opt South Bend back in to receive the portion of the State's negotiate on behalf of the entire state. Once the city opts back in then they can't opt out. The city of Indianapolis will be the primary beneficiary in terms of dollars from the recovery due to its size and actual harm. The cities of Bloomington, Fishers, Fort Wayne, Hammond, Kokomo and Lafayette opted back in. St. Joseph County has opted back in. The first distribution will happen around April 27, 2022. One will involve about 2.6 million over a period of eighteen (18) years. The other is at 2.793 million to be exact, and the other six hundred and fifty-five thousand (\$655,000.00) roughly, and a second litigation and that span over eight (8) years.

City Attorney de Rose continues that fees will come out of the is distribution at 8.7% (eight point seven percent) and 8.7% (eight point seven percent) will come out of the national fund if set up.

Committee Chair Wax asks for any additional information to clarify percentage allocation in regards to the distribution from the state and local portion.

City outside counsel Jay Lewis responds that fifteen percent (15) of the overall funds are restricted. Thirty percent (30%) of the money will be unrestricted and seventy percent (70%) is restricted to specific uses.

Committee Chair Wax ask for additional questions from the committee members

Councilman Lee clarifies that once the settlement is done that it is used for educational purpose and others that have been affected by the opioid crisis. He wants to know what the ideal amount will be to support the mentioned program

City outside counsel Jay Lewis responds that the settlement from the major 3 defendants will flow to South Bend. The big two settlements will go towards the city. Seventy percent of the money will go towards treatment and prevention. This does not include Pharma money. When it is ready to flow then it will flow. There are other defendants that there is no settlement for as of yet. If the state negotiates the settlement with other big companies as a national settlement, then the money will flow with the same mechanism.

Councilman Lee responds with what other agencies are we paying to distribute the funds once they are in South Bend.

City Attorney de Rose says the city doesn't have that information yet. However that national litigation has put together a list of generic programs to assist treatment, prevention and programs.



The list can be sent to the council. The State will be doing their own programs that South Bend can use. The city has to use best practices when creating programs from the settlement.

Committee Chair Wax states that the bill will be moved to the public and any non-committee members.

Clerk Jones responds with no virtual public wishing to speak.

Committee Chair Wax states that the public portion has closed and asking for any additional committee comments.

Vice Committee Chair White motions for the Bill No. 22-16 the resolution be sent to the full council with favorable recommendation.

Committee Member Warner, seconds

Committee Chair Wax requests roll call from Clerk Jones

Clerk Jones commences roll call in favor of Bill No. 22-16 with 4 ayes.

Committee Chair Wax motions to passes to the Bill No. 22-16 to the full council with a full favorable recommendation. This concludes the portion of the agenda for Health and Public Safety; Adjourn the meeting.

Respectfully Submitted,

Eli Wax, Committee Chair

