

Pennsylvania Opioid Misuse and Addiction Abatement Trust
Public Meeting of November 30, 2023, 2:00 - 3:30PM
222 Chestnut Street, Harrisburg, PA, Room 211C
<https://us02web.zoom.us/j/82425335015>

MINUTES

Board of Trustee Attendees (10):

- Chair Thomas VanKirk (In person)
- Commissioner Kevin Boozel (In person)
- Erin Dalton (Zoom)
- Commissioner Gene DiGirolamo (Zoom)
- Representative Jim Gregory (In person)
- Steve Jasper (Zoom)
- Shea Madden (In person)
- Commissioner Robert Postal (Zoom)
- Senator Greg Rothman (Zoom)
- Senator Christine Tartaglione (Zoom)

Board of Trustees Not Attending (3):

- Secretary Latika Davis-Jones
- Representative Mark Rozzi
- Dr. J. Jean Wright II

Other Attendees:

- Morgan Wagner, Senator Rothman's office (In person)
- Nate McClellan, Senator Tartaglione's office (Zoom)
- Jack Stover, Buchanan Ingersoll & Rooney (In person)
- Jayson Wolfgang, Buchanan Ingersoll & Rooney (In person)
- Jordan Yeagley, Buchanan Ingersoll & Rooney (In person)
- Glenn Sterner, Penn State University (In person)
- Neil Mara, Office of Attorney General (Zoom)
- Tyler Ritchie, Office of Attorney General (Zoom)
- Lisa Schaefer, CCAP (In person)
- Heather Hiester, CCAP (In person)
- Elaine Fogdall, CCAP (In person)

Announcements

- Welcome to members of public attending in person and on Zoom.
- Participation in the meeting is limited to Trustees and representatives from their offices and guests from the Trust's partners.
- The meeting is being recorded.
- A quorum is present at the meeting.

- The Board of Trustees held an Executive Session immediately prior to the public meeting for Trustees and counsel to discuss privileged matters including the Ethics Act and legal cases.

Approval of Minutes

[Minutes from September 7, 2023 Public Meeting](#) were approved unanimously by Trustees in attendance.

Update on Settlements by Office of Attorney General

Tyler Ritchie, Office of Attorney General, provided an update on wave 2 settlements noting they are in the process of being finalized. Pennsylvania anticipates receiving wave 2 settlement funds beginning early to mid-2024. A total of \$567 million is anticipated to be received over 15 years, including approximately \$156 million in 2024. It was noted the 2024 amount is significantly larger than future years as Walmart is making a large initial payment. It is anticipated that the first round of wave 2 funds will be included in December 2024 payments. It is also anticipated beneficiaries will have a longer period than 18 months for Walmart funds to be spent. There was discussion of ensuring beneficiaries understand the amount of Walmart funds they will receive and that a longer timeframe to spend funds would only apply to that portion of funding.

Currently, the settlement reached with Purdue Pharma is on appeal with the US Supreme Court. The court will need to decide if the Sackler family, a nonbankrupt third party, can receive protection from the company's bankruptcy ruling. There will be no payments from the settlement with Purdue Pharma until after this case has been decided, and it could be years before any payments are forthcoming.

Approval of Engagement of Maher Duessel to Provide Accounting Services for the Trust

Jayson Wolfgang, Buchanan Ingersoll & Rooney, noted that the Trust engaged CCAP to provide administrative services for the Trust. In the months leading up to the annual December distributions of Trust funds to Counties and Litigating Subdivisions, it was determined that a "best-practices" approach to accounting would facilitate fulfillment of the Trust's responsibilities under the Trust Order. Mr. Wolfgang noted that the Board's Chair, counsel for the Trust, CCAP and CCAP's counsel developed certain criteria for the purpose of identifying an accounting firm to assist the Trust including, but not limited to: a preference for a Pennsylvania-based firm with a statewide presence; adequate staff in the Harrisburg area to facilitate working closely with CCAP and the OAG; and, familiarity with the kinds of responsibilities of, and services being sought by, the Trust. Four accounting firms were identified and interviewed. All of them are well-known, respected accounting firms that are based in Pennsylvania. Mr. Wolfgang noted that those who participated in the interviews arrived at consensus to recommend the engagement of Maher Duessel. The consensus was based, in part, on preparedness for the interview, specific experience with a trust in Maryland which was staffed by professionals in the Harrisburg office, as well as Maher Duessel's keen understanding of and collaborative approach to the kinds of services for which CCAP and the Trust are seeking assistance. Chair Tom VanKirk then noted that these details were shared with all members of the Board of Trustees, including in an informational session in mid-November, where the Trustees attending received advice of counsel and at which there was no official action or deliberation.

Steve Jasper made a motion to “approve the engagement of Maher Duessel to provide accounting services for the Trust.” Commissioner DiGirolamo seconded the motion. There was discussion about limiting the firm’s engagement to one year so it can be reviewed annually. There was additional discussion about being able to anticipate costs as much as possible going forward. The motion was approved with Senator Rothman voting against.

Approval of Resolution for Maher Duessel Access to Wilmington Trust and M&T Accounts

Chair Tom VanKirk presented the following resolutions for approval:

- Wilmington Trust:
 - Resolved, the Trustees of the Pennsylvania Opioid Misuse and Addiction Abatement Trust (the “Trust”) name Lisa Ritter, Partner, Michelle Buskey, Senior Manager, David Coriell, Staff Auditor, and Kim Phillips, Paraprofessional, from Maher Duessel, which provides Accounting Services to the Trust, as individuals who can act for the Trust on said account.
- M&T Bank:
 - Our Bank (M&T) requires a Trust board resolution to show who can act for the Trust in transactions involving the “Administrative Account” we recently established. Therefore, be it resolved that the Trustees of the Pennsylvania Opioid Misuse and Addiction Abatement Trust (the “Trust”) name Lisa Ritter, Partner, Michelle Buskey, Senior Manager, David Coriell, Staff Auditor, and Kim Phillips, Paraprofessional, from Maher Duessel, which provides Accounting Services to the Trust, as individuals who can act for the Trust on said account.

Shea Madden made a motion to approve the resolutions as presented. Commissioner DiGirolamo seconded the motion. The motion was approved unanimously by Trustees in attendance.

Approve Resolution for Payment of 2023 Estimated Disbursements

Chair Tom VanKirk presented the following resolution regarding [2023 Estimated Disbursements to Counties and Litigating Subdivisions](#) for approval:

- Resolved, that, based on spreadsheet calculations prepared by the Office of Attorney General (“OAG”) included in the materials distributed to members of the Board of Trustees (“Board”) for this meeting and subject to further review by the OAG and/or accounting professionals engaged by the Pennsylvania Opioid Misuse and Addiction Abatement Trust, the Board hereby authorizes distribution of Trust funds substantially similar thereto to the Counties and Litigating Subdivisions identified therein with such distributions to occur on or about December 15, 2023 in accordance with paragraph V.D.6. of the Order of the Commonwealth Court entered July 12, 2022.

Commissioner Boozel moved to approve the resolution as presented. Senator Tartaglione seconded the motion. An amendment was suggested that if the numbers change after review by the accounting firm, the payments will still be distributed, and an update will be shared with the Board of Trustees. It was also clarified that corrections included in payment 3 were due to an error in the payment 2 distribution

amounts to Litigating Subdivisions. The resolution was approved, as amended, unanimously by Trustees in attendance.

Approval of Accelerated Payment to Commonwealth of PA

Chair Tom VanKirk indicated the Trust received a request from the Commonwealth to accelerate its payment from June 15, 2024, as indicated in the Trust Order, to on or about December 15, 2023. This request is being made to support vital Department of Drug and Alcohol Programs. Specifically, the Commonwealth requested to receive the following distributions: \$3,530,726 from Johnson & Johnson, \$1,053,001 from Mallinckrodt, and \$5,437,583 from the distributors.

Senator Tartaglione moved to approve the accelerated payment as presented. Representative Gregory seconded the motion. Commissioner Boozel suggested the motion be amended to approve the accelerated payment subject to the Commonwealth agreeing to report funds distributed were spent in accordance with Exhibit E. The motion, as amended, was approved unanimously by Trustees in attendance.

Approval of Proposed Timeline for Reporting

Elaine Fogdall, CCAP, presented the following proposed timeline for reporting to the Trust:

Reporting Period 1 (8/1/22 – 12/31/23)

- October 2023 – Reporting Tool Test Run
- Third week of November – Final reporting instructions and report PDF posted on POMAAT website; reporting information shared with counties and subdivisions
- November 19 & 21, 2023 – Trust Sessions, including reporting tool preview, at CCAP Fall Conference
- November 30, 2023 – Trust Board Meeting
- Mid-December, 2023 – Reporting requirements, instructions and links sent to counties and subdivisions
- December 2023 and January 2024 – Informational Webinars Hosted for Reporting Contacts
- February 15, 2024 – Draft Submission Deadline for Reports
- March 15, 2024 – Final Submission Deadline for Reports

Reporting Period 2 (1/1/24 to 12/31/24)

- Mid-December 2024 – Reporting Links sent to Reporting Contacts
- February 15, 2025 – Draft Submission Deadline for Reports
- March 15, 2025 – Final Submission Deadline for Reports

Chair Tom VanKirk noted the team from Penn State, Pitt and Temple is convening a work group to determine how information will be shared, however any future plans included in the reporting will not be made public. It was also noted that the Penn State team has asked for biannual reporting, which may be considered in the future.

Commissioner Postal moved to approve the reporting timeline as presented. Shea Madden seconded the motion. The motion was approved unanimously by Trustees in attendance.

Approval of Insurance Coverage Proposal Presented by Henderson Brothers, Inc. for Board of Trustees, CCAP

Jayson Wolfgang, Buchanan Ingersoll & Rooney, noted that securing insurance is a contractual obligation for the Trust's agreement with CCAP. The insurance policy presented for approval was offered by Henderson Brothers, Inc. The nature of the policy is for D&O coverage as well as technology errors and omissions. CCAP will be named as an additional insured and the policy will be retroactive to July 15, 2022.

The proposal received included a primary \$5 million in coverage with Fair American, an AM Best A++ Superior rated insurance company, for a cost \$76,782, and an excess policy of \$5 million with Bridgeway Insurance, an AM Best A+ Superior rated company, for an additional cost \$46,370. The opportunity was marketed to several insurance companies. Five declined and three others offered terms that were less advantageous.

Senator Tartaglione moved to approve the insurance coverage for the primary \$5 million as presented. Commissioner DiGirolamo seconded the motion. There was discussion of the other offers submitted. It was noted one was for the same cost but less coverage and two were for less coverage but higher costs.

Senator Rothman made a motion to table the vote to approve insurance coverage. Steve Jasper seconded the motion to table. Chair VanKirk requested a roll call on the vote on the motion to table, which was as follows:

- Commissioner Kevin Boozel: no
- Erin Dalton: yes
- Commissioner Gene DiGirolamo: no
- Representative Jim Gregory: yes
- Steve Jasper: yes
- Shea Madden: no
- Commissioner Robert Postal: no
- Senator Greg Rothman: yes
- Senator Christine Tartaglione: no

The motion to table was not approved.

The original motion to approve the primary \$5 million insurance coverage as presented was approved with Senator Rothman voting against and Steve Jasper abstaining from the vote.

Approval of CCAP Administrative Services and Website Hosting 2024 Estimated Costs

Lisa Schaefer, Executive Director of CCAP, presented estimated costs for CCAP's administrative services and website hosting in 2024, noting that the administrative services role has expanded to require a director level position to direct the work of the Trust. It was noted the initial costs for 2023 were prorated as the initial contract did not begin until March.

Erin Dalton moved to approve CCAP's 2024 estimated costs as presented. Shea Madden seconded the motion. The motion was approved by Trustees in attendance with Commissioner Boozel and Commissioner Postal abstaining from the vote due to their CCAP board membership.

Request from Clearfield County Regarding Use of Funds

Chair Tom VanKirk noted the Technical Advisory Group has been meeting every two weeks to consider requests for technical assistance and other inquiries submitted to the Trust. The policy to respond to requests, approved at the September 7, 2023 Board meeting, has been followed. Recently, the group was unable to come to a consensus on a request from Clearfield County to use funds for a canine narcotics program.

Trustee Steve Jasper, Clearfield County, shared additional information about the request to use funds for this program in the Clearfield County jail. The general consensus of the group was that, since the program could be used for law enforcement and policing activity, it would not be considered an allowable expense pursuant to Exhibit E of the settlement agreements. No formal motion was made.

Upcoming Meetings

- March 14, 2024
- May 2, 2024
- June 20, 2024

Jim Gregory moved to adjourn the meeting, seconded by Kevin Boozel. The meeting was adjourned at 3:55PM.

Submitted by Elaine Fogdall, Trust Administrator