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| **From:** | Executive Director |
| **To:** | Rebecca Noecker |
| **Cc:** | Megan Jekot; #CI-StPaul_Ward2; *CI-StPaul_Contact-Council |
| **Subject:** | Request for Fiscal Safeguards on Special Counsel Contracts (RES 26-1659) |
| **Date:** | Wednesday, September 30, 2026 9:49:23 AM |
| **Attachments:** | Noecker East Side District Councils_ Request for Fiduciary Safeguards on Special Counsel Contracts (RES 26-1659).pdf |

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Dear Council President Noecker,

Attached is a joint letter from the Executive Directors of District Councils 1, 2, 4, and 5 regarding RES 26-1659. As East Side District Councils, we are requesting that the City Council include clear fiscal guardrails whenever public funds are allocated for outside legal counsel.

Our letter outlines four recommended safeguards, phased budget caps, a Reservation of Rights, hourly rate limits, and monthly billing transparency, to ensure responsible stewardship of taxpayer dollars and protect funding for essential neighborhood services.

We appreciate your attention to this matter and your continued stewardship for the city of Saint Paul. Please let us know if you would like to discuss any portion of the recommendations further.

Sincerely,

Ianni Houmas Executive Director, District Council 1 (SECO) On behalf of District Councils 1, 2, 4, and 5

Southeast Community Organization
(SECO, District One)
2105 ½ Old Hudson Road
St. Paul, MN 55119

**Subject:** East Side District Councils: Request for Fiduciary Safeguards on Special Counsel Contracts (RES 26-1659)

Dear Councilmember Noecker**,**

As Executive Directors representing Saint Paul's East Side District Councils, we write regarding RES 26-1659 to ask that the City Council establish clear fiscal guardrails whenever public funds are requested for outside legal counsel.

We recognize that under Minn. Stat. § 466.07, the City has an obligation to defend public officials for actions within the scope of their duties. However, the City Council retains full authority over the budget, contract terms, and hourly rate limits of outside counsel. Open-ended legal contracts threaten to pull scarce general fund dollars away from essential neighborhood services, public safety, and infrastructure across the East Side.

We urge the Council to incorporate the following four common-sense fiscal safeguards into RES 26-1659 and any future legal defense authorizations:

**Phased Budget Caps:** Cap initial expenditures at a set threshold (e.g., $50,000) and require the legal team to submit an itemized billing report and progress update to the Council before any additional funding can be approved.

**Mandatory Reservation of Rights:** Issue a formal Reservation of Rights requiring full reimbursement to the City if a court, independent investigation, or settlement finds that the alleged actions involved intentional malfeasance, bad faith, or fell outside official duties.

**Hourly Rate Caps:** Limit billable rates to standard municipal defense benchmarks (such as League of Minnesota Cities Insurance Trust rates) rather than unconstrained private firm rates.

**Monthly Billing Transparency:** Require monthly itemized statements to be reviewed by the Council's financial oversight committee.

Thank you for your continued partnership and for protecting Saint Paul taxpayers and neighborhood investments.

Sincerely,

**East Side District Councils 1, 2, 4, and 5**

*Representing the East Side of Saint Paul*

**Ianni Houmas**

Executive Director, District Council 1 (SECO)

**Lisa Theis**

Executive Director, District Council 2 (Greater East Side)

**Carrie Obry**

Executive Director, District Council 4 (Dayton's Bluff)

**Vivian Tran**

Executive Director, District Council 5 (Payne-Phalen)