

## Care Facility Bond Contract Back Before Assembly

Thursday, 16 May 2013

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Brianna Gibbs/KMXT

Tonight the Kodiak Island Borough Assembly will meet for a regular meeting and revisit an agenda item that failed to get assembly approval two weeks ago. During the May 2 meeting the assembly failed to approve a contract with Wohlforth Brecht Cartledge and Brooking for legal services associated with the sale of revenue bonds for the new long term care facility.

During last Thursday's work session, Assemblyman Mel Stephens asked why the contract was back.

"I'd like to know why it is back on the agenda. We voted on whether to postpone and ask for additional information on this. That motion failed. We voted on whether to pass it, that motion failed. No person asked for reconsideration," he said. "So I think your obligation was to call up the attorney and say the decision of the assembly was not to go along with this."

The contract failed in large part because of an increase in fees associated with the legal services. In July 2012 the firm bid for the contract with a fee of \$17,500, but on May 2 the assembly faced a contract for \$25,000, plus any additional expenses. At the time there was no explanation of the change, but a memo has since been provided to the assembly by the borough's attorney outlining why the cost went up, and where in the original contract fee increases are allowed.

The memo helped clarify the matter for Assemblyman Tuck Bonney, who said he is in favor of revisiting the contract, even after voting against it during the May 2 meeting.

-- (LTC Repeat 2 :34 "I was led to believe that the contract was a solid contract for \$17,500 and it couldn't be changed. But it's very clear in that contract that if the scope of the work changes, which it did, it went from a \$7 million bond to an \$18 million bond, and I support it 100 percent. I got bad advice. I got slapped upside the head on this one and I'm not happy about it. Because it was in the contract and nobody brought that up. You didn't bring it up Mel, when you said the \$17,500, you didn't even talk about the contract. So I support it. I got bad information and I apologize to the borough assembly for making that vote.")

Assemblywoman Louise Stutes was absent from the last meeting, but said she listened to the audio from it and was shocked to see it back on the agenda for this week.

-- (LTC Repeat 3 :29 "And I listened to it not once, not twice, but I listened to it three times. And I couldn't believe when I saw it on the agenda. Nobody requested additional information, nobody, except for Karl. Nobody on the assembly said I would like to have additional information from the attorneys, and it was voted down. And I thought, Jesus, what does this mean? If staff doesn't like the way the vote goes they just put it back on the agenda? This is

problematic for me.&rdquo;)

Borough Manager Bud Cassidy said borough code allows the contract to be revisited, so he and the clerk put it back on once the additional information from the borough&rsquo;s attorney was provided.

Assemblywoman Chris Lynch said she supported revisiting the contract and said the memo from the attorney paints a different picture than what the assembly had to work with before.

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(LTC Repeat 4 :29 &ldquo;The memo from the attorney calls out the timeline and the reason why they were requesting additional funding, and yes, this project changed three separate times. First it was a \$7 million bond, which would be a different bond than once the project increased in size. They had to redo documents three times, clearly there was additional work and I think they&rsquo;re justified in the memo that they wrote and are requesting.&rdquo;)

The contract will be before the assembly during tonight&rsquo;s regular meeting, which begins at 7:30 p.m. in the borough assembly chambers. If the contract fails tonight, borough code states that it cannot be revisited for another six months, unless the assembly decides otherwise.

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