



## CITY & BOROUGH OF WRANGELL SPECIAL ASSEMBLY MEETING AGENDA

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**Wednesday, July 11, 2018**  
**6:30 p.m.**

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**Location: Assembly Chambers, City Hall**

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1. Call to Order
2. Roll Call
3. Conflict of Interest:
4. Persons to be Heard:
5. Items of Business:
  - a. Approval of 60 Foot Floating Easement through the Institute Property to Provide Access to Properties Identified on the Preliminary Plat for Trust Land Survey 2018-10 for the Land Trade between the Alaska Mental Health Trust and US Forest Service (*postponed from the June 26, 2018 Assembly meeting*)
  - b. **PROPOSED RESOLUTION No. 07-18-1419** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA PROVIDING FOR THE CREATION OF THE CAPITAL FACILITIES DIRECTOR JOB DESCRIPTION AND AMENDING THE NON-UNION WAGE AND GRADE TABLE
  - c. **PROPOSED RESOLUTION No. 07-18-1420** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA PROVIDING FOR THE AMENDMENT OF THE PUBLIC WORKS DIRECTOR JOB DESCRIPTION
  - d. Approval to reschedule the July 24, 2018 Regular Assembly meeting to August 7, 2018
  - e. Approval to hold a Special Assembly meeting on August 2, 2018
  - f. Approval of Amendment #1 to the Professional Services Agreement with Dorsey & Whitney, LLP for Healthcare Consulting Services in the Amount of \$294,630.50
6. Adjournment

**CITY & BOROUGH OF WRANGELL, ALASKA**  
**SPECIAL BOROUGH ASSEMBLY AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>NO.</u>	<b>5a</b>	<u>DATE:</u>	July 11, 2018
<p><b>Approval of a 60 Foot Floating Easement through the Institute Property to Provide Access to Properties Identified on the Preliminary Plat for Trust Land Survey 2018-10 for the Land Trade between the Alaska Mental Health Trust and the US Forest Service</b></p> <p><i>(postponed from the June 26, 2018 Regular Assembly meeting)</i></p>				
<u>SUBMITTED BY:</u>		<u>FISCAL NOTE:</u>		
		Expenditure Required:		
Planning and Zoning Commission Carol Rushmore, Economic Development Director		Amount Budgeted:		
		Account Number(s):		
		Account Name(s):		
<u>Reviews/Approvals/Recommendations</u>				
<u>xx</u>	Planning & Zoning Commission		Unencumbered Balance(s) (prior to expenditure):	
Name(s)				
_____ Attorney				
_____ Insurance				
<u>ATTACHMENTS:</u>				
1. Preliminary Plat 2018-10 (marked showing easements) 2. Schematic Design layout of the Institute Master Plan				

**MAYOR JACK:** Please state that there is a motion on the floor. Restate the following motion and invite discussion.

**RECOMMENDED MOTION:**

Prysunka/Gilbert moved to approve a 60 Foot Floating Easement through the Institute Property to Provide Access to Properties Identified on the Preliminary Plat for Trust Land Survey 2018-10 for the Land Trade between the Alaska mental Health Trust and the US Forest Service.

**SUMMARY STATEMENT:**

At the Assembly meeting on June 26, 2018, the Borough Assembly chose to postpone this item so that Economic Development Director Rushmore could answer some questions on the request.

This proposed land trade between the USFS and the Mental Health Trust Authority has been in process for several years. The proposed land exchange within Wrangell area was previously reviewed by the Borough Assembly. Based on a recommendation of the Planning and Zoning Commission, the Assembly requested that a portion of the proposed land trade area around 9-10 Mile Zimovia Highway be removed from the lands for trade as they were considered very desirable waterfront developable lands. The area was north of the sandy beach area accessed via Pats Landing LTF. The area has not been pulled out and is part of the lands that will be traded to the USFS at this time.

Federal Legislation was passed, and Wrangell is now being surveyed in Phase II of the survey land exchange analysis.

The Planning and Zoning Commission reviewed three preliminary plats to ensure that platting requirements are being met and to discuss access issues. The review and request for an easement from the Assembly only pertains to one of the three plats.

The Land that is being transferred to the USFS will remain in its natural state. According to AMHT, the legislation dictates that no new encumbrances on the land can be incurred prior to the transfer.

**Part of the motion specific to this request made by the Planning and Zoning Commission to address the proposed preliminary plats submitted by the Trust Land Office of Alaska Mental Health Trust was:**

**Recommend to the Assembly to create a (floating) easement/row though the Institute to provide a second access to Lot 2 (retained by AMHT) and enable AMHT to extend the floating easement through Lot 2 to USFS lands beyond and to Lot 1 (going to USFS) because Rainbow Falls Trail is considered inadequate access (Prelim Plat 2018 -10).**

**Discussion regarding the outcome of the Planning and Zoning Commission meeting and approved motion:**

WMC 19.28.050 requires that any lot created without road frontage must have a guaranteed access, usually in the form of an access easement, to the lot. The primary issues with the preliminary plat as proposed was the lack of access to lots being created without any road frontage. The motion above, provided necessary access to the lots by creating floating easements 60-foot-wide which could become right-of-way locations if AMHT decides to develop the property.

On AMHT Survey 2018-10, the Planning and Zoning Commission did not believe that utilizing Rainbow Falls as the guaranteed access to proposed Lot 1 (USFS) was adequate access. AMHT said that if the City were to provide guaranteed access through the Institute Property, then they could continue the access via a floating easement over to Lot 1 as well as up to the existing USFS lands. This access would be an alternative means of access to AMHT and USFS lands. Lot 3 South Wrangell Subdivision will also provide an access point, but further down Zimovia Highway at the south end of the SMB Loop road, a road would no longer be able to be placed to access USFS lands because all the land is going to the USFS under the trade agreements must remain in a natural state.

Through the Institute Master Plan, the proposed “road” is conceptually designed all the way to the AMHT property, in the hopes that AMHT would continue development on their lands. The proposed access is where the current logging road was created near the north SMB Loop Road. Until the Institute Property is developed, the access could be a floating 60-foot-wide easement in the current location of the logging road. By granting this easement, AMHT is willing to provide additional easements to Lot 1 and to USFS property beyond in addition to the 60-foot-wide floating easement to be placed on Lot 3 (AMHT) South Wrangell Alaska Subdivision to Lot 2 (AMHT) in 2018-10.

#### **Background:**

The following information is an excerpt from the staff report for the Planning and Zoning Commission May 2018 regarding issues with the plat which led to the request for the easement through the Institute Property.

#### **Findings:**

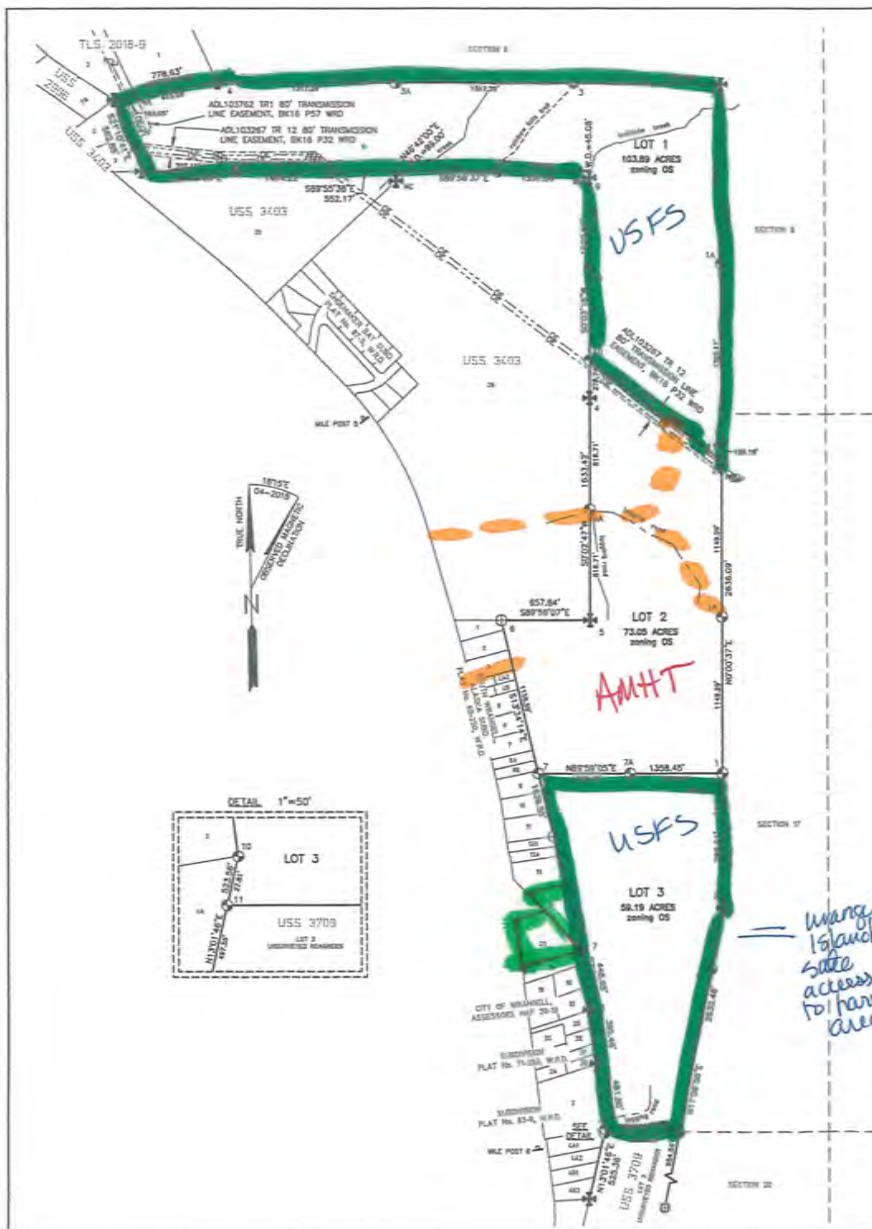
##### Trust Land Survey 2018-10:

1. Lot 1, a separate legal lot, is being created without guaranteed access. (see #6 below)
2. Lot 2, a separate legal lot, is being created without guaranteed access.
3. Lot 3, a separate legal lot, is being created without guaranteed access.
4. AMHT owns Lot 3, South Wrangell Subdivision, that may need to be part of this plat for designation for a 60-foot floating easement/ROW to Lot 2 and possibly Lot 1. Is this adequate access for that tract?
5. AMHT owns Lot 23, USS 2900 and Lot 14, South Wrangell subdivision that should be part of this plat to include a 60-foot ROW through to access USFS lands, but should continue through Lot 3. Future access through and beyond Lot 3 is of concern to the City and Borough of Wrangell as this was the access point to any future timber sales in the Wrangell Island Sale completed last year. Should conditions change in the future, the Borough and the USFS want to ensure access to Timber lands beyond Lot 3.

According to AMHT, Lot 14 and Lot 23 will be transferred to the USFS. In order to

provide access to Lot 23, staff is requesting that the lot lines be removed between Lots 23 and 14 and between Lot 14 and new Lot 3 so that the lot has direct road frontage. No Road will be able to be constructed, so an alternative easement to USFS lands need to be provided through Lot 2 being retained by AMHT.

6. The easement for the Rainbow Falls Trail should be referenced on Plat notes. Currently, there is an existing USFS Trail easement for the Rainbow Falls Trail through USS 3403 which is owned by the Borough to Lot 1 (previously owned by AMHT but will be transferred to USFS). The AMHT is requesting concurrence that the trail provides the necessary guaranteed access to Lot 1. If the Commission finds otherwise, then another option might be to provide a floating 60 wide access through Lot 2. (see discussion #7)
7. Access to new Lot 2 behind the Institute property is also required. AMHT owns Lot 3 South Wrangell Subdivision and thus can provide a floating 60 easement to Lot 2 across this lot. In addition, part of the Institute Master Plan currently has a proposed road through Borough property to Lot 2 (see draft design drawing). AMHT has indicated that should the City provide an easement to Lot 2 through Lot 26 USS 3403 (Institute) AMHT will continue the easement through Lot 2 to USFS land beyond Lot 2. An easement could also continue along the existing logging road when that land was logged to Lot 1 going to the USFS if the Commission finds Rainbow Falls trail is not adequate.



## PRELIM PLAT

### NOTES

1. THIS FIELD SURVEY WAS PERFORMED BY MULLIKIN SURVEYS BETWEEN APRIL 2-4, 2018.
2. THE ACCURACY OF THIS SURVEY IS GREATER THAN 1:5000.
3. ZWINGA HIGHWAY IS AN EASEMENT THROUGH LOT 4, U.S. SURVEY No. 33789.
4. THE SUBDIVISION LINE BETWEEN LOTS 1 AND 2 IS SURVEYED AS THE NORTHEASTERLY RIGHT-OF-WAY OF THE TRANSMISSION LINE EASEMENT, BOOK 16, PAGE 32, WRANGELL RECORDING DISTRICT.
5. LINE 4-4A AND LINE 4A-5, LOT 1, SURVEYED CONCURRENTLY WITH TRUST LAND SURVEY No. 2018-9.

### GEOGRAPHIC COORDINATE

THE GEOGRAPHIC POSITION OF CIL, LOT 1, T1S 2018-10, IN NAD83(2011), (EPOCH: 2010.0000), DETERMINED BY SURVEY BASE ON-SITE OBSERVATIONS, PROCESSED THROUGH THE NATIONAL GEODESIC ONLINE POSITIONING USER SERVICE (OPUS), IS:

LATITUDE: 58° 24' 55.888" NORTH NAD 83(2011)  
LONGITUDE: 132° 18' 43.888" WEST

### CERTIFICATE STATE OF ALASKA PERMIT SPECIAL DISTRICTS

I, the undersigned, being duly appointed and qualified, and an acting assessor for the city and borough of Wrangell, hereby certify, that according to the records in my possession, the following described property is owned on the tax records of the city and borough of Wrangell, in the name of:

and that according to the records in my possession, all taxes assessed against said lands are paid in full, that current taxes for the year 20\_\_ will be due on or before August 15, 20\_\_. Called this \_\_ day of \_\_, 20\_\_.

Assessor: City and Borough of Wrangell

### CERTIFICATE OF APPROVAL BY THE PLANNING COMMISSION

I hereby certify that the subdivision plat shown hereon has been found to comply with the subdivision regulations of the city and borough of Wrangell Planning Commission, and that said plat has been approved by the commission by Plat Resolution No. \_\_, dated \_\_, 20\_\_, and that the plat shown hereon has been approved for recording in the Office of the Clerk Magistrate, Ex-officio Recorder, Wrangell, Alaska.

Date: \_\_, Chairman, Planning Commission  
Secretary: \_\_

### CERTIFICATE OF APPROVAL BY THE ASSUMED

I hereby certify that the subdivision plat shown hereon has been found to comply with the subdivision regulations of the city and borough of Wrangell, and that the plat shown hereon has been approved for recording in the Office of the Clerk Magistrate, Ex-officio Recorder, Wrangell, Alaska.

Date: \_\_, Mayor, City and Borough of Wrangell  
City Clerk: \_\_

### CERTIFICATE OF OWNERSHIP AND DEDICATION

We hereby certify that we are the owners of the property shown and described hereon and that we hereby adopt the plan of subdivision with our free consent and dedicate all streets, alleys, walks, parks and other open spaces to public or private use as noted.

Date: \_\_, Minister Health Trust Authority  
Printed Name and Title: \_\_

### NOTARY ACKNOWLEDGMENT

This is to certify that on this \_\_ day of \_\_, 20\_\_, before me, the undersigned, a notary public in and for the State of Alaska, duly commissioned and sworn, personally appeared

to me known to be the identical individual(s) mentioned and who executed the within plat and \_\_, acknowledged to me that signed the same freely and voluntarily for the uses and purposes therein specified.

Witness my hand and notary seal the day and year in which first herein written.

Notary Public in and for the State of Alaska  
My commission expires: \_\_



### LEGEND

- BLM POST MONUMENT RECOVERED
- BLM COPPERFIELD MONUMENT RECOVERED
- PRIMARY MONUMENT SET THIS SURVEY
- SURVEYED LINE
- UNSURVEYED LINE
- EASEMENT LINE
- SECTION LINE
- W.R.D. WRANGELL RECORDING DISTRICT

### GRAPHIC SCALE



MULLIKIN SURVEYS  
P.O. BOX 799  
HOMER, ALASKA 99603-0799  
(907) 835-6975

### TRUST LAND SURVEY No. 2018-10

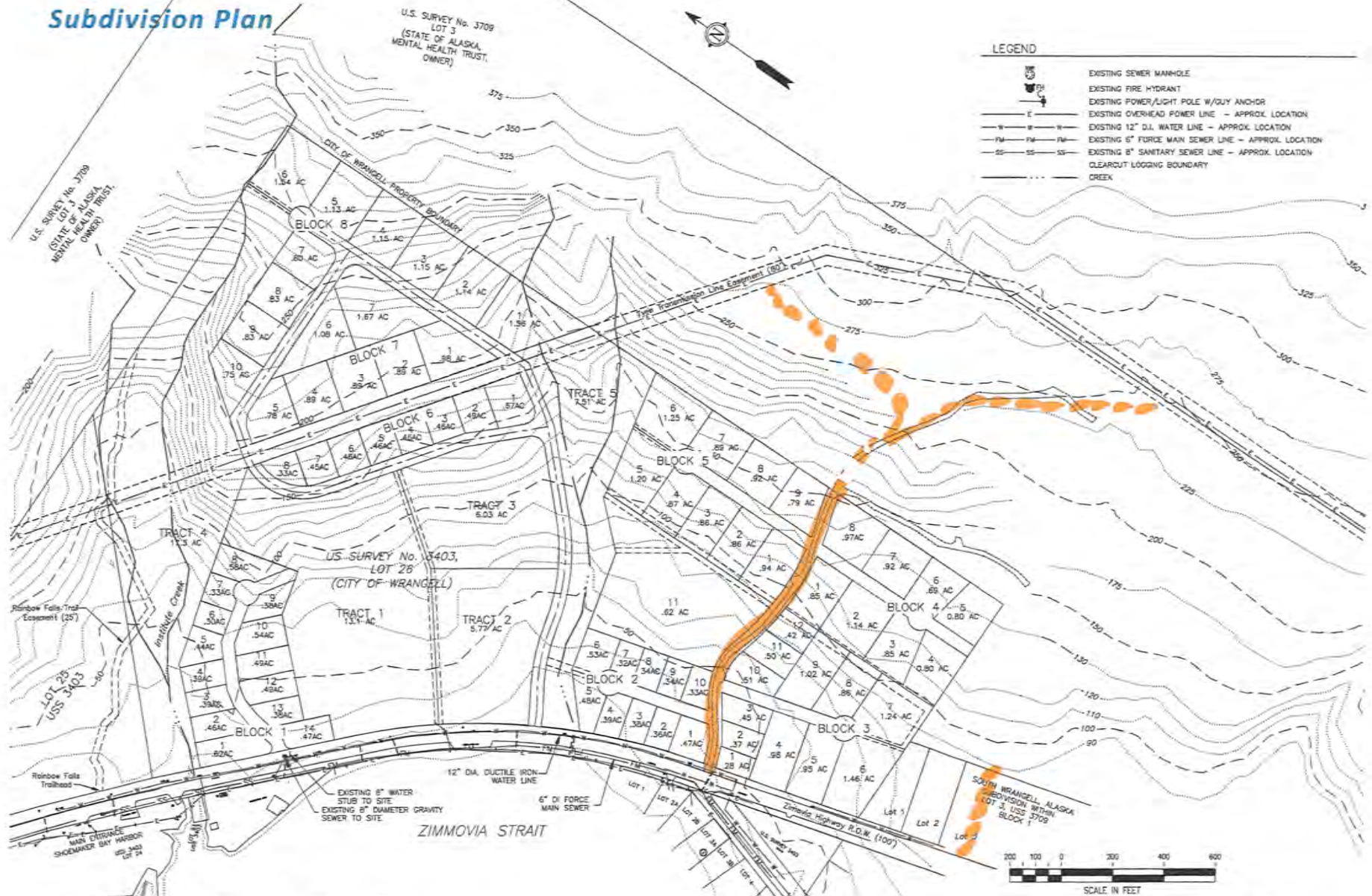
CREATING LOTS 1, 2, & 3

A SUBDIVISION OF  
LOT 2, U.S. SURVEY No. 2703,  
TOWNSHIP 63 SOUTH, RANGE 64 EAST,  
COPPER RIVER MERIDIAN, ALASKA,  
IN THE WRANGELL RECORDING DISTRICT  
CONTAINING 328.13 ACRES MORE OR LESS

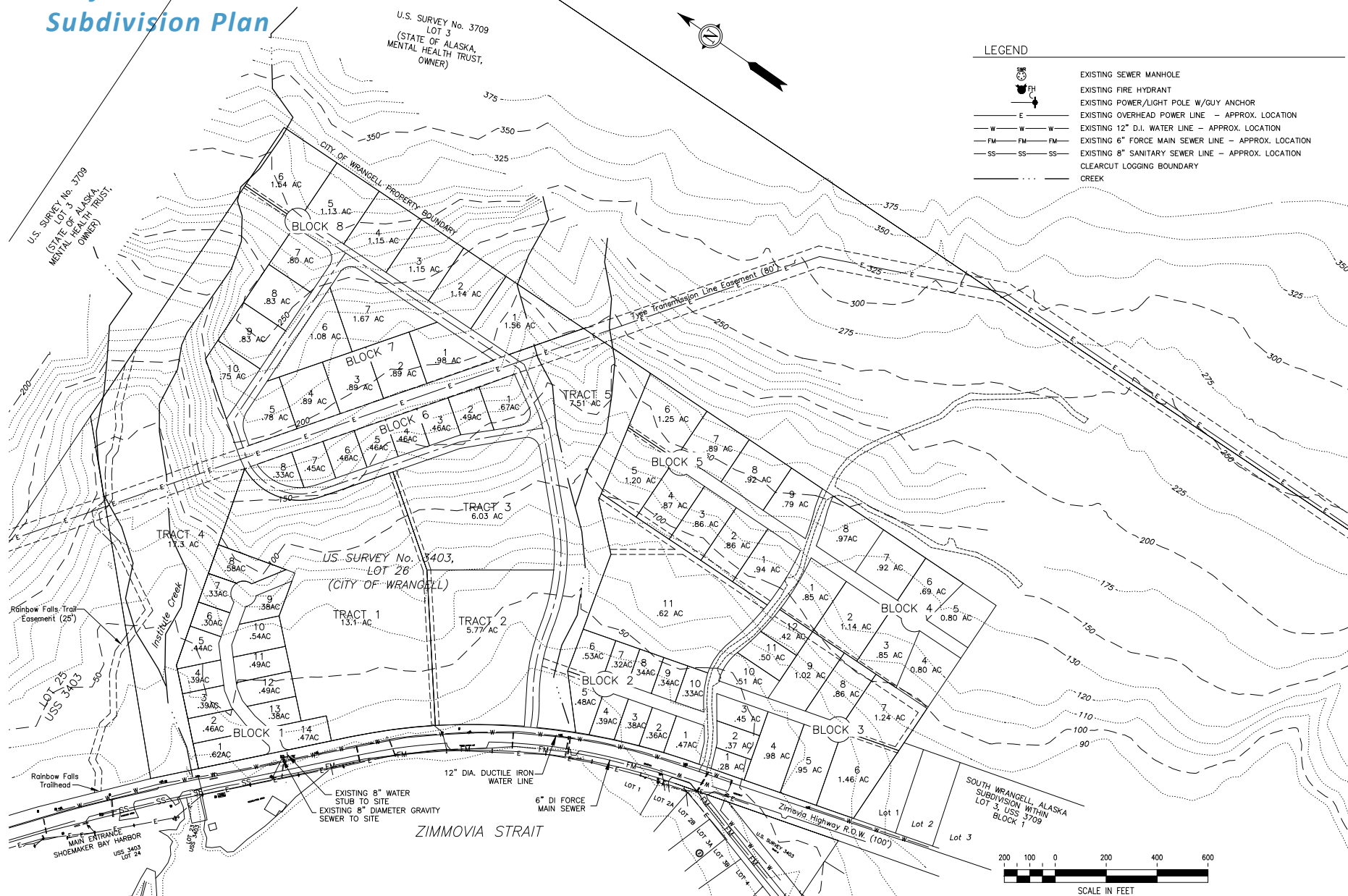
SURVEYOR	CLIENT
MULLIKIN SURVEYS 283 BORANZA AVE. P.O. BOX 799 HOMER, AK 99603 907-835-6975	STATE OF ALASKA ALASKA MINERAL TRUST AUTHORITY 2100 COMMERCE BLVD., SUITE 300 ANCHORAGE, AK 99501
SURVEY DATE: 04/02/2018	SCALE: 1" = 400'
PLAT/ONLINE CASE/2018/10	BOOK/TOWNSHIP: 100/63 & 64
CHECKED BY: CDEALAM	FILE: WRANGELL VLS-103
DRAWN BY: MRS	FILE NO.:



**Preferred Master Plan: Alternative  
Subdivision Plan**



**Preferred Master Plan: Alternative  
Subdivision Plan**





**CITY & BOROUGH OF WRANGELL, ALASKA**  
**SPECIAL BOROUGH ASSEMBLY AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>NO.</u>	<b>5b</b>	<u>DATE:</u>	July 11, 2018
<b>PROPOSED RESOLUTION No. 07-18-1419</b> OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA PROVIDING FOR THE CREATION OF THE CAPITAL FACILITIES DIRECTOR JOB DESCRIPTION AND AMENDING THE NON-UNION WAGE AND GRADE TABLE				
<u>SUBMITTED BY:</u>		<u>FISCAL NOTE:</u>		
Lisa Von Bargaen, Borough Manager		Expenditure Required:		
		Amount Budgeted:		
		Account Number(s):		
		Account Name(s):		
<u>Reviews/Approvals/Recommendations</u>				
<input checked="" type="checkbox"/>	Borough Assembly	Unencumbered Balance (prior to expenditure):		
n/a	Attorney			
n/a	Insurance			
<b><u>ATTACHMENTS:</u></b>				
1. Resolution 07-18-1419 2. Capital Facilities Director Job Description 3. Non-Union Wage & Grade Table				

**RECOMMENDATION:**

Move to approve Resolution 07-18-1419 Providing for the Creation of the Capital Facilities Director job description and the Amendment of the Non-Union Wage and Grade Table.

**SUMMARY STATEMENT:**

The FY2019 Budget has a primary focus on maintenance. To that end, the Assembly approved the split of the existing Public Works and Capital Projects Director position into two different positions: Public Works Director and Capital Facilities Director. A new Capital Facilities department has been created with the approval of the FY19 Budget. The Capital Facilities Director will be

charged with oversight of a far more robust and planned annual/preventative maintenance program, major maintenance, capital projects, and what will become a much updated and stronger building permit and inspection program.

The attached position description outlines the duties and responsibilities of that position. The Non-Union Wage and Grade Table has also been amended to reflect the addition of the Capital Facilities Director at Grade 30, the same level as the Public Works Director.

CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 07-18-1419

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA PROVIDING FOR THE CREATION OF THE CAPITAL FACILITIES DIRECTOR JOB DESCRIPTION AND THE AMENDMENT OF THE NON-UNION WAGE AND GRADE TABLE

WHEREAS, the Assembly has determined infrastructure maintenance is a priority that requires adequate resource allocation; and

WHEREAS, the approval of the FY2019 Budget authorized the creation of a Capital Facilities Department responsible for annual/preventative maintenance, major maintenance, capital projects and the building permit and inspection program; and

WHEREAS, the position of Public Works and Capital Projects Director is being split into two positions: Public Works Director and Capital Facilities Director; and

WHEREAS, the rate of pay for the Capital Facilities Director should be reflective of the duties of the new position; and

WHEREAS, the rate of pay for this position shall be a grade 30 with a monthly salary pay range from \$6,607 to \$8,346 which is commensurate with other similar positions in the organization.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA,

Section 1. The attached Exhibit "A" includes the job description which describe the duties, responsibilities and qualifications for the Capital Facilities Director.

Section 2. The new job description for the Capital Facilities Director will become effective immediately upon passage and approval of this resolution.

Section 3. The attached Exhibit "B" is the Non-Union Wage and Grade Table reflecting the addition of the Capital Facilities Director at grade 30.

Section 4. The attached Exhibit "B" repeals all other previous Non-Union Pay Plans and becomes effective immediately upon passage and approval of this resolution.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THIS 11<sup>TH</sup> DAY OF JULY, 2018.

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David L. Jack, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, Borough Clerk

## City & Borough of Wrangell

## Position Description

Position: Director of Capital Facilities	Position Number:
Department/Site: Capital Facilities	FLSA: Non-exempt
Evaluated by: Borough Manager	Salary Grade: 30

### **Summary**

Plans, directs and coordinates the activities of the department of Capital Facilities. Responsible for the planning, management and supervision of capital improvement projects, major maintenance, and annual and preventative BoroughCity facility maintenance, and the Borough's Building Inspection program.

### **Distinguishing Career Features**

The Capital Facilities Director is a management position responsible for the functions and staff of the Capital Facilities Department and ensures that department activities meet maintenance and capital improvement goals of the BoroughCity.

### **Essential Duties and Responsibilities**

This list is ILLUSTRATIVE ONLY and is not a comprehensive listing of all functions and tasks performed by incumbents of this class.

- Oversees all Capital Facilities Department employees and operations.
- Develops Capital Improvement Program (CIP) and Major Maintenance (MM) projects and recommends priorities; develops and evaluates CIP/MM scope of work; assures that the development plans meets BoroughCity, State and Federal compliance standards.
- Evaluates CIP/MM issues, and implements solutions; identifies and communicates strategies, goals and objectives; assures effective communications of project plans and status.
- Consults with design professionals, attorneys, builders, land owners, other BoroughCity departments and outside agencies regarding project scope; analyzes and recommends alternatives; analyzes and reviews construction project plans for acceptability to achieve compliance; responsible for RFP's, contracts, schedules and project budgets.
- Serves as the BoroughCity's CIP/MM program manager for both in-house staff and hired consultant teams performing preliminary engineering, environmental permitting, Right-of-Way acquisition and delivery of final engineering designs as well as construction management of BoroughCity capital projects.
- Reviews contracts and proposals for accuracy, completeness, and compliance with project design/scope of work, Federal, State, and local policies and practices; optimizes funds spent on facilities and infrastructure.
- Responsibilities include quality control, risk management, tracking monthly progress schedules and budget invoices (relative to work completed), professional services contract negotiations and delivery to include the following: advertising, public bidding and award as well as assuring contract compliance within project scopes of services.
- Evaluates project proposals from BoroughCity departments, and updates five-year CIP/MM strategic plan; presents plans to BoroughCity Manager and AssemblyCouncil for approval of project priorities and funding.
- Prepares reports and other documents as well as completes presentations, as necessary,

concerning assigned projects for the AssemblyCity Council, BoroughCity Manager, staff, funding, and regulatory agencies

- Coordinates ongoing annual and preventative maintenance of all BoroughCity facilities; establishes maintenance priorities; develops resources & plans to execute priority projects; serves as technical adviser to departments on project and maintenance issues.
- Directs the daily activities of the Department staff, meets regularly with staff to evaluate performance, and resolve workload and technical issues.
- Maintains cooperative working relations with the BoroughCity departments, outside contractors and agencies; serves as liaison between various organizations and agencies; serves on committees, task forces and other groups to coordinate CIP/MM programs.
- Assists department heads with the preparation, design, review and execution of bid documents as needed. Performs site evaluations and project planning for the design and construction of Borough facilities. Assists department heads as needed in the interpretation, implementation and enforcement of regulatory requirements.
- Works cooperatively with other BoroughCity departments to effectively solicit and administer grants funds from various State, Federal, and other sources. This includes identifying funding needs and sources, formulating effective grant application language, formulating project scopes and budget estimates, direct communication with funding agencies, ensuring compliance with grant requirements throughout all phases of the projects, and ensuring satisfactory documentation and closeout.
- Prepares annual budget for all the Capital Facilities Department, analyzing previous budgets and confers with employees responsible for building maintenance. Maintains accurate and detailed records of all purchases for the department.
- Formulates and directs proper training, work practices and safety programs.
- Acts as Building Official as outlined in Wrangell Municipal Code and Uniform bBuilding codes, as adopted by the Borough including, plan review, issuing building permits and inspections.
- Evaluates Capital Facilities' policies and procedures and the Borough's construction standard specifications and policies for regulatory compliance and conformance with current industry best practices.
- Maintains and updates as-built records of all Borough facilities.
- Performs other related duties as assigned by the Borough Manager.

## **Qualifications**

### **Knowledge and Skills**

- Department and Borough organization, operations, policies and procedures.
- Federal, state and local government laws, statutes and ordinances related to construction and maintenance of a variety of facilities owned by the Borough.
- Basic engineering and architectural principles and practices, proper methods and techniques of infrastructure maintenance and construction.
- Principles of public sector budgets, accounting and contract management.
- Principles, practices and methods of project and program management.
- Personal computer applications, including the Microsoft Office suite of applications, data processing software and other software as utilized by the department, such as work order and inventory tracking software, or the ability to learning such software applications.
- State and Federal grant and loan programs and administrative requirements.
- Principles and practices of construction and maintenance.

### **Skills and Abilities**

- Reading, interpreting, understanding and applying Federal and State rules and regulations, as well as BoroughCity policies and procedures.



- Assessing and prioritizing multiple tasks and projects.
- Planning, organizing, directing and coordinating the work of supervisory, professional, and trades personnel.
- Delegating authority and responsibility and preparing and administering large and complex budgets.
- Sequence and execute a high volume of work projects.
- Exceptional verbal and written communication and interpersonal skills.
- Preparing clear and concise reports.
- Ability to read, understand, and interpret plans, blueprints, and technical specifications for building and grounds projects.
- Preparing cost estimates, writing contract specifications, and preparing bids.
- Ability to represent the BoroughCity in a highly professional manner and appropriately respond to inquiries from management, citizens and regulatory agencies.
- Demonstrated ability of creative problem solving and the ability to work as part of a team.
- Establishing and maintaining effective working relations with other BoroughCity employees and representatives from other local, state and Federal agencies.
- Troubleshooting building systems.

#### **Physical Abilities**

Requires sufficient ambulatory ability to inspect premises, including some ability to bend, stoop, crawl, and walk in confined areas and to work from ladders, scaffolds, and other elevated areas. Sufficient visual acuity to read detailed drawings, recognizing words and numbers. Sufficient auditory ability to carry on conversations in person and over the phone.

#### **Education and Experience**

- A bachelor's degree or equivalent with major course work in civil engineering, construction management, business administration.
- Five years with experience and increasing responsibility in maintenance and construction management with demonstrated capital project management experience, including budgeting and fiscal control, contract administration, personnel management.
- A minimum of three years of staff supervisory, budget and management responsibilities.
- An equivalent combination of education and experience.

#### **Licenses and Certificates**

Requires a valid Alaska Driver's License or the ability to obtain one.

#### **Working Conditions**

Work is performed in an office environment and at construction sites where safety considerations exist from observing physical labor and equipment operation. May be exposed to slippery surfaces, heavy equipment and machinery and inclement weather when conducting review of construction or project sites.

This job/class description, describes the general nature of the work performed, representative duties as well as the typical qualifications needed for acceptable performance. It is not intended to be a complete list of all responsibilities, duties, work steps, and skills required of the job.

Signatures inserted on this job description confirm that it has been reviewed by the employee and his/her direct supervisor and that a clear understanding of the expectations of this position exists.

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**Employee Signature**

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**Date**

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**Supervisor or Department Head**

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**Date**

Permanent Non-exempt Employee Pay Plan, City and Borough of Wrangell, Hourly Compensation

Resolution No. 09-17-1376

old step	6	7	8	9	10	11	12	13	14	15				
Grade	Step →													
↓	1	2	3	4	5	6	7	8	9	10	11	12	13	
8	14.96	15.26	15.55	15.84	16.14	16.44	16.76	17.09	17.41	17.74	18.08	18.43	18.78	
9	15.62	15.91	16.21	16.52	16.85	17.17	17.49	17.82	18.16	18.52	18.88	19.24	19.61	
12	17.73	18.07	18.42	18.78	19.14	19.50	19.87	20.27	20.66	21.05	21.46	21.87	22.29	
13	18.55	18.90	19.26	19.63	20.00	20.40	20.79	21.19	21.59	22.02	22.45	22.88	23.32	
14	19.38	19.75	20.14	20.53	20.92	21.32	21.74	22.16	22.58	23.01	23.46	23.91	24.37	
16	21.18	21.58	22.01	22.43	22.86	23.30	23.77	24.22	24.68	25.16	25.65	26.15	26.66	
17	22.17	22.59	23.02	23.47	23.93	24.39	24.86	25.36	25.85	26.35	26.86	27.38	27.91	
18	23.19	23.65	24.10	24.56	25.03	25.53	26.02	26.52	27.05	27.57	28.11	28.66	29.22	
21	26.43	26.96	27.48	28.01	28.56	29.12	29.68	30.26	30.85	31.44	32.05	32.68	33.32	
23	28.55	29.11	29.67	30.25	30.84	31.43	32.06	32.68	33.31	33.97	34.63	35.31	36.00	
25	30.94	31.54	32.17	32.79	33.42	34.09	34.75	35.44	36.13	36.84	37.56	38.30	39.05	
26	32.22	32.84	33.48	34.14	34.80	35.49	36.18	36.89	37.61	38.34	39.09	39.86	40.64	
		8	Custodian				14	Dispatch/Corrections Officer				21	Police Officer Probationary	
		9	Library Assistant 1											
		12	DMV Assistant Recreation Coordinator Library Assistant 2				17	Police Officer Recruit				23	Police Officer	
		13	Accounting Clerk Utility Accounts Clerk				18	Administrative Assistant - Police Corrections Sergeant Accounting Generalist Firemedic/Trainer				25	Police Sergeant	
												26	Police Lieutenant	

Permanent, Salaried (Exempt) Employee Pay Plan, City and Borough of Wrangell, Monthly Compensation

old step	6	7	8	9	10	11	12	13	14	15				
Grade	Step →													
↓	1	2	3	4	5	6	7	8	9	10	11	12	13	
19	4,209.00	4,290.00	4,375.00	4,458.00	4,543.00	4,630.00	4,722.00	4,812.00	4,904.00	5,001.00	5,098.00	5,197.00	5,297.00	
24	5,150.00	5,252.00	5,353.00	5,457.00	5,566.00	5,673.00	5,782.00	5,897.00	6,011.00	6,131.00	6,250.00	6,373.00	6,498.00	
25	5,363.00	5,467.00	5,576.00	5,684.00	5,793.00	5,909.00	6,023.00	6,143.00	6,263.00	6,386.00	6,510.00	6,639.00	6,769.00	
27	5,821.00	5,935.00	6,049.00	6,171.00	6,290.00	6,413.00	6,540.00	6,666.00	6,800.00	6,932.00	7,067.00	7,205.00	7,348.00	
28	6,070.00	6,191.00	6,311.00	6,436.00	6,561.00	6,689.00	6,821.00	6,952.00	7,091.00	7,228.00	7,370.00	7,516.00	7,663.00	
30	6,607.00	6,739.00	6,869.00	7,006.00	7,141.00	7,282.00	7,426.00	7,571.00	7,720.00	7,873.00	8,027.00	8,185.00	8,346.00	
		19	Civic Center Manager				25	Harbormaster				28	Economic Development Director	
		24	Library Director Parks & Recreation Director Fire Chief Nolan Center Director				27	Borough Clerk				30	Finance Director Electrical Superintendent Police Chief Director of Public Works & Capital Projects Public Works Director Capital Facilities Director	
Temporary/Part-time/Seasonal Employees														

Temporary/Part-time/Seasonal Employees

Hourly Compensation

Note: Each step represents the amount above the prevailing State of Alaska Minimum Wage 9.84

Grade	Step →												
↓	1	2	3	4	5	6	7	8	9	10	11	12	13
1	State MW	0.30	0.60	0.90	1.20	1.50	1.80	2.10	2.40	2.70	3.00	3.30	3.60
3	0.70	1.00	1.30	1.60	1.90	2.20	2.50	2.80	3.10	3.40	3.70	4.00	4.30
4	1.70	2.00	2.30	2.60	2.90	3.20	3.50	3.80	4.10	4.40	4.70	5.00	5.30
5	2.70	3.00	3.30	3.60	3.90	4.20	4.50	4.80	5.10	5.40	5.70	6.00	6.30
6	3.20	3.50	3.80	4.10	4.40	4.70	5.00	5.30	5.60	5.90	6.20	6.50	6.80
7	3.70	4.00	4.30	4.60	4.90	5.20	5.50	5.80	6.10	6.40	6.70	7.00	7.30
8	4.20	4.50	4.80	5.10	5.40	5.70	6.00	6.30	6.60	6.90	7.20	7.50	7.80
9	4.70	5.00	5.30	5.60	5.90	6.20	6.50	6.80	7.10	7.40	7.70	8.00	8.30
11	6.20	6.50	6.80	7.10	7.40	7.70	8.00	8.30	8.60	8.90	9.20	9.50	9.80

Actual Temp Rates, Calendar Year 2017

	1	2	3	4	5	6	7	8	9	10	11	12	13	
1	9.84	10.14	10.44	10.74	11.04	11.34	11.64	11.94	12.24	12.54	12.84	13.14	13.44	
3	10.54	10.84	11.14	11.44	11.74	12.04	12.34	12.64	12.94	13.24	13.54	13.84	14.14	
4	11.54	11.84	12.14	12.44	12.74	13.04	13.34	13.64	13.94	14.24	14.54	14.84	15.14	
5	12.54	12.84	13.14	13.44	13.74	14.04	14.34	14.64	14.94	15.24	15.54	15.84	16.14	
6	13.04	13.34	13.64	13.94	14.24	14.54	14.84	15.14	15.44	15.74	16.04	16.34	16.64	
7	13.54	13.84	14.14	14.44	14.74	15.04	15.34	15.64	15.94	16.24	16.54	16.84	17.14	
8	14.04	14.34	14.64	14.94	15.24	15.54	15.84	16.14	16.44	16.74	17.04	17.34	17.64	
9	14.54	14.84	15.14	15.44	15.74	16.04	16.34	16.64	16.94	17.24	17.54	17.84	18.14	
11	16.04	16.34	16.64	16.94	17.24	17.54	17.84	18.14	18.44	18.74	19.04	19.34	19.64	
		1	Lifeguard Recreation Assistant Theater Sales Associate				4	Sales Assistant Laborer Assistant Theater Manager				7	Clerical Assistant	
		3	Head Lifeguard				5	Park Maintenance I				8	Custodian	
							6	Senior Sales Assistant Park Maintenance II				9	Maintenance Custodian	
												11	Theater Manager	

**CITY & BOROUGH OF WRANGELL, ALASKA**  
**BOROUGH ASSEMBLY AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>NO.</u>	5c	<u>DATE:</u>	July 11, 2018
<b>PROPOSED RESOLUTION No. 07-18-1420</b> OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA PROVIDING FOR THE AMENDMENT OF THE PUBLIC WORKS DIRECTOR JOB DESCRIPTION				
<u>SUBMITTED BY:</u>			<u>FISCAL NOTE:</u>	
Lisa Von Bargaen, Borough Manager			Expenditure Required:	
			Amount Budgeted:	
			Account Number(s):	
			Account Name(s):	
<u>Reviews/Approvals/Recommendations</u>				
<input checked="" type="checkbox"/>	Borough Assembly		Unencumbered Balance (prior to expenditure):	
n/a	Attorney			
n/a	Insurance			
<b><u>ATTACHMENTS:</u></b>				
1. Resolution 07-18-1420 2. Amended Public Works Director Job Description				

**RECOMMENDATION:**

Move to approve Resolution 07-18-1420 Providing for the Amendment of the Public Works Director Job Description.

**SUMMARY STATEMENT:**

The FY2019 Budget has a primary focus on maintenance. To that end, the Assembly approved the split of the existing Public Works and Capital Projects Director position into two different positions: Public Works Director and Capital Facilities Director. The Public Works Director job description has been amended to reflect the current responsibilities. The wage for this position

will remain at a grade 30. The attached job description shows the proposed amendments.



CITY AND BOROUGH OF WRANGELL, ALASKA

RESOLUTION No. 07-18-1420

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA PROVIDING FOR THE AMENDMENT OF THE PUBLIC WORKS DIRECTOR JOB DESCRIPTION

WHEREAS, the Assembly has determined infrastructure maintenance is a priority that requires adequate resource allocation; and

WHEREAS, the approval of the FY2019 Budget authorized the creation of a Capital Facilities Department responsible for annual/preventative maintenance, major maintenance, capital projects and the building permit and inspection program; and

WHEREAS, the position of Public Works and Capital Projects Director is being split into two positions: Public Works Director and Capital Facilities Director; and

WHEREAS, with the split of the Public Works Director position, the job description requires amending to reflect the current responsibilities; and

WHEREAS, the rate of pay for this position shall remain at a grade 30 with a monthly salary pay range from \$6,607 to \$8,346 which is commensurate with other similar positions in the organization.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA,

Section 1. The attached Exhibit "A" includes the job description which describe the duties, responsibilities and qualifications for the Public Works Director.

Section 2. The amended job description for the Public Works Director will become effective immediately upon passage and approval of this resolution.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THIS 11<sup>TH</sup> DAY OF JULY, 2018.

\_\_\_\_\_  
David L. Jack, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, Borough Clerk

## City & Borough of Wrangell

## Position Description

Position: <del>Director of</del> Public Works <del>Director and Capital Projects</del>	Position Number:
Department/Site: Public Works	FLSA: Non-exempt
Evaluated by: Borough Manager	Salary Grade: 30

### Summary

~~Plans, D~~irects and coordinates the activities of the ~~departments of~~ Public Works, ~~including Department, Cemetery, Garage, Sanitation Department and, Streets and the~~ Sewer and Water ~~u~~Utilities, by performing the following duties or through subordinate supervision.

~~Responsible for the planning, management and supervision of capital and special improvement projects. Projects include grant applications, planning, permitting, budgeting and scheduling through all phases of development to construction completion and project close out.~~

### Distinguishing Career Features

The Public Works Director is a management position responsible for integrating different, yet related functions supporting overall ~~P~~ublic ~~W~~orks goals. Exercises decision making, supervision and problem-solving skills on a daily basis for efficient delivery of public services, infrastructure maintenance and customer service.

The Public Works Director requires competency in construction management and the ability to integrate a complete system of streets, sanitation, water distribution, ~~and~~ wastewater treatment, and fleet management.

Advancement to this level is through promotion and compliance with the qualifications of the position.

### Essential Duties and Responsibilities

This list is ILLUSTRATIVE ONLY and is not a comprehensive listing of all functions and tasks performed by incumbents of this class.

- ~~■ Oversees all Public Works, S~~ewer, ~~W~~ater, ~~Garage~~ –and ~~S~~anitation employees and operations. Ensures compliance with State and Federal health and safety, water quality and wastewater regulations. Responsible for training to insure proper certification of Public Works employees.
- ~~■ Coordinates with and directs supervisors responsible for Public Works, Water, Sewer, and Garage functions. Meets regularly with staff to evaluate performance and discuss and resolve workload and technical issues.~~
- ~~■ Hires, fires, evaluates, confers and directs departmental staff, with the assistance from departmental supervisors, responsible for street, water, sewer, sanitation and fleet management. Coordinates the use of human resources and equipment and materials to consolidate purchasing requests.~~
- ~~■ Acts as City's representative during all phases of capital projects as assigned by the City Manager. Develops and r~~eviews ~~technical proposals~~reports, ~~budget estimates and bid packages and bid submittals to assure compliance with city specifications, engineering and regulatory standards. Negotiates and coordinates the services of engineering and~~

- construction firms for specific capital and special projects. Manages engineering design and construction contracts between the city, consultants and contractors. Negotiates and manages services and departmental contracts, terms, and warranties.
- \* ~~Confers and directs employees responsible for street, water, sewer, sanitation and building maintenance. Coordinates the use of human resources and equipment and materials to consolidate purchasing requests.~~
  - Prepares Responsible for the annual development and administration of the overall budgets for annual budget for all Public Works departments, ~~and capital project budgeting for all Public Works~~ departmental functions and special projects. , analyzing previous budgets and confers with employees responsible for street, water, sewer, sanitation and building maintenance. Assists Capital Facilities Director in evaluation of annual maintenance and capital project needs related to Public Works facilities and operations.
  - Evaluates Public Works program requirements, Federal and Sstate mandates, and resource utilization; coordinates program planning and municipal services evaluation; identifies resources and coordinates integration of services with other programs, departments, and agencies.
  - Reviews new laws and proposed legislation, and determines impact to programs or projects; remains current on Public Works issues and presents recommendations for City policies; prioritizes projects and programs to optimize funds spent on facilities and infrastructure.
  - Acts as a Borough liaison between various Sstate agencies and represents the interests of the Borough Manager and Borough Assembly, as directed.
  - Maintains cooperative working relations with the other Borough departments, and outside agencies; serves as liaison between various organizations and agencies; serves on committees, task forces and other groups as tasked.
  - Represents the Borough when dealing with Ffederal, Sstate and local agencies and the media regarding Public Works operations and issues.
  - Develops, analyzes and maintains disaster response plans, strategies and policies.
  - Develops and interprets policy and provides staff direction on implementation of those policies and procedures.
  - Formulates and directs proper training, work practices and safety programs.
  - ~~Assist department heads with the preparation, design, review and execution of bid documents as needed.~~ Performs site evaluations and assists with project planning for the design and construction of city facilities and infrastructure. Provides preliminary cost estimates as requested for ~~specific capital and special projects.~~ Assists department heads as needed in the interpretation, implementation and enforcement of regulatory requirements.
  - \* ~~Reviews and assesses equipment and supply needs for various Ppublic Wworks departments operation and projects. Purchases supplies according to budget allowances. Procures equipment, supplies and services according to Borough policies and ordinances. Proposes, assists, and reviews specifications for new equipment. Maintains accurate and detailed records of all purchases for the department.~~
  - Manages and directs the Garage Department with fleet management, including vehicle and equipment procurement, evaluation, allocation, replacement scheduling, and repair and operational issues requiring administrative oversight and approval.
  - Responsible for the as-built record plans for storm sewer, sanitary sewer, water, and street systems.
  - Responsible for the construction, maintenance and repair of water and sewer mains and services.
  - ~~Maintains accurate and detailed records of all purchases for the department. Proposes, assists, and reviews specifications for new equipment.~~
  - May also aAssists crews with emergency and routine sewer, water, street repair and

snow removal, as needed. Responsible for the proper use and maintenance of City Borough equipment.

- ~~Formulates and directs proper training, work practices and safety programs.~~
- Responsible for operation of the City's Borough's cemeteries and locating grave plots as assigned by the Borough Clerk. Coordinates work and personally maintains as-built record drawings of cemetery.
- Manages the Borough's rock quarry and waste soils sites in accordance with State and Federal laws and permitting requirements.
- Acts as back-up Building Official as outlined in Wrangell Municipal Code and Uniform Building codes as adopted by the Borough including plan review, issuing building permits and inspections. Participates in the review of plans for private development projects for compliance with codes, regulations and standards, adequacy of permit applications and compliance with approved plans, as they relate to Public Works infrastructure.
- Performs other duties as assigned by the Borough Manager.

## **Qualifications**

### ▪ **Knowledge and Skills**

- Department and Borough organization, operations, policies and procedures.
- Federal, State and local government laws, statutes and ordinances related to Public Works divisional operations.
- Personal computers, word and data processing software, including the Microsoft Office suite of applications, and other software as utilized by the department, such as ArcGIS, work order and inventory tracking software, or the ability to learning such software applications.
- Generally accepted government accounting practices in relation to general funds and enterprise funds. Principles of public sector budgets, accounting and contract management.
  - Principles and practices of street, water and sewer infrastructure construction and maintenance.
  - Principles and practices of water and sewer utility operations and infrastructure, storm water management, solid waste collection and disposal, fleet acquisition and maintenance.
  - Knowledge of quarry operations and safety standards, including storm water pollution prevention and erosion control practices.
- Must be familiar with highway equipment and repair, facilities maintenance, supervisory techniques, ~~operating capacities of equipment~~, proper and safe operating procedures, cost analysis, and seasonal equipment needs.
- Must have knowledge of and comfort with mathematical concepts including probability, statistical inference, and plane and solid geometry, ~~and trigonometry~~
- Must be able to apply fractions, percentages, ratios, and proportions to practical situations.
- Effective customer service principles.

### ▪ **Abilities**

- ~~Must be able~~ Ability to plan, organize, direct and coordinate the work of supervisory, professional, and trades personnel.
- Ability to supervise, coordinate employee efforts and administer policies.
- ~~Must be able~~ Ability to delegate authority and responsibility and prepare and administer large and complex budgets.
- Ability to Allocate limited resources in a cost-effective manner; and have the

ability to sequence and execute a high volume of work projects.

- Ability to assess and prioritize multiple tasks and projects, and delegate tasks and authority.
- Ability to effectively respond to, and resolve inquiries from management, citizens and regulatory agencies.
- ~~Must be able~~ Ability to prepare clear and concise reports with proper sentence structure, punctuation and grammar.
- ~~Must have the a~~ Ability to read, understand, and interpret plans, blueprints, and specifications for building and grounds infrastructure projects, as well as the ability to prepare cost estimates, write construction or equipment specifications, and prepare bids requests for quotes.

▪ **Physical Abilities**

Requires sufficient ambulatory ability to inspect facility and utility infrastructure premises, including some ability to bend, stoop, and walk in confined areas. Sufficient visual acuity to read detailed drawings, recognizing words and numbers. Sufficient auditory ability to carry on conversations in person and over the phone.

▪ **Education and Experience**

Any combination of training, education and experience which demonstrates an ability to perform the duties of the position. The typical qualifying entrance background Rrequires a bachelor's degree or equivalent with major course work in civil engineering, construction management, business administration, public administration, or a related field, and five years of responsible experience in planning, organizing and directing a public works or related operation, including three years in an administrative ~~and~~ supervisory capacity. five years of increasingly responsible experience overseeing the maintenance and construction of roads, utilities, buildings, and grounds. Other combinations of education and experience may be substitutes that demonstrate competency in the desired knowledge, skills and abilities for this position.

- Must have sufficient skills necessary to operate related equipment effectively, safely, and responsibly.
- Requires the ability to clearly read, write, and speak English.

▪ **Licenses and Certificates**

Requires a valid Alaska Driver's License or the ability to obtain one upon hire.

▪ **Working Conditions**

Incumbent performs over 90% of duties in an office environment. Work is also performed ~~indoors and~~ outdoors where some safety considerations exist from observing physical labor and equipment operation.

This job/class description, describes the general nature of the work performed, representative duties as well as the typical qualifications needed for acceptable performance. It is not intended to be a complete list of all responsibilities, duties, work steps, and skills required of the job.

Signatures inserted on this job description confirm that it has been reviewed by the employee and his/her direct supervisor and that a clear understanding of the expectations of this position exists.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date



| Supervisor or Department Head

Date

| Director, Public Works and Capital Projects  
@Jacobson, Betts & Company

07-189/26/2011

**CITY & BOROUGH OF WRANGELL, ALASKA**  
**SPECIAL BOROUGH ASSEMBLY AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>NO.</u>	<b>5d</b>	<u>DATE:</u>	July 11, 2018
Approval to reschedule the July 24, 2018 Regular Assembly meeting to August 7, 2018				
<u>SUBMITTED BY:</u>			<u>FISCAL NOTE:</u>	
			<b>Expenditure Required:</b> none	
Lisa Von Bargaen, Borough Manager			<b>Amount Budgeted:</b> none	
			<b>Account Number(s):</b> none	
			<b>Account Name(s):</b> none	
<u>Reviews/Approvals/Recommendations</u>				
n/a			<b>Unencumbered Balance(s) (prior to expenditure):</b>	
Name(s)			none	
<input type="checkbox"/>	Attorney			
n/a	Insurance			
<u>ATTACHMENTS:</u> None.				

**Proposed Motion:**  
**Move to approve Rescheduling the July 24, 2018 Regular Assembly meeting to August 7, 2018.**

**SUMMARY STATEMENT:**  
 Due to unexpected doctor appointment (specialist in Anchorage) for the Manager and the request by at least one Assembly member, the Clerk queried the Assembly last week about the possibility of changing the date of the July 24<sup>th</sup> regular meeting to August 7<sup>th</sup>. The Assembly replied in the affirmative. This agenda item formalizes the date change for the meeting. The Assembly's flexibility is greatly appreciated.

**CITY & BOROUGH OF WRANGELL, ALASKA**  
**SPECIAL BOROUGH ASSEMBLY AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>NO.</u>	<b>5e</b>	<u>DATE:</u>	July 11, 2018
Approval to hold a Special Assembly meeting on August 2, 2018				
<u>SUBMITTED BY:</u>			<u>FISCAL NOTE:</u>	
Lisa Von Bargaen, Borough Manager			<b>Expenditure Required:</b> none	
			<b>Amount Budgeted:</b> none	
			<b>Account Number(s):</b> none	
			<b>Account Name(s):</b> none	
<u>Reviews/Approvals/Recommendations</u>				
n/a			<b>Unencumbered Balance(s) (prior to expenditure):</b>	
Name(s)			none	
<input type="checkbox"/>	Attorney			
n/a	Insurance			
<b><u>ATTACHMENTS:</u> None.</b>				

**Proposed Motion:**

**Move to approve holding a Special Assembly meeting on August 2, 2018 at 5:30 p.m.**

**SUMMARY STATEMENT:**

The Manager and Dorsey & Whitney attorneys have been working diligently on the Asset Purchase Agreement and Lease Document associated the community healthcare solution with SEARHC. On June 12<sup>th</sup> the Assembly approved the resolution authorizing this work. The agenda statement included an estimated schedule of items, including the need for a special meeting on August 2<sup>nd</sup> at which the Assembly will meet in person with the Dorsey & Whitney attorneys and the Manager in an executive session to go over the transactional details of the Asset Purchase Agreement and the Lease. This agenda item authorizes that special meeting and executive session.

**CITY & BOROUGH OF WRANGELL, ALASKA**  
**SPECIAL BOROUGH ASSEMBLY AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>NO.</u>	<b>5f</b>	<u>DATE:</u>	July 11, 2018
Approval of Amendment #1 to the Professional Services Agreement with Dorsey & Whitney, LLP for Healthcare Consulting Services in the Amount of \$294,630.50.				
<u>SUBMITTED BY:</u>		<u>FISCAL NOTE:</u>		
		<b>Expenditure Required:</b>		
		\$294,630.50		
Lisa Von Barga, Borough Manager		<b>Amount Budgeted:</b>		
		\$22,120 (From initial PSA)		
		<b>Account Number(s):</b>		
		80020 000 7519		
		<b>Account Name(s):</b>		
		CIP Professional Services, Contractual		
<u>Reviews/Approvals/Recommendations</u>				
	Commission, Board or Committee	<b>Unencumbered Balance(s) (prior to expenditure):</b>		
Name(s)	Review Team			
		\$1,029,715.11		
	Attorney			
	Insurance			
<b><u>ATTACHMENTS:</u></b>				
1. Dorsey & Whitney Amendment; 2. Root Valuation Document.				

**RECOMMENDATION:**

Move to Approve Amendment #1 to the Professional Services Agreement with Dorsey & Whitney, LLP for Healthcare Consulting Services in the Amount of \$294,630.50.

**SUMMARY STATEMENT:**

On February 6, 2018 the Assembly approved a Professional Services Agreement (PSA) with Dorsey & Whitney, LLP in the amount of \$22,120 for Healthcare Consulting Services. The scope of the initial PSA was for Phase I of work with SEARHC regarding exploration of a community healthcare solution. Phase I initially included four tasks:

- Task One – Letter of Intent Review
- Task Two – Architectural Agreement Review
- Task Three – Healthcare Industry Inquiry
- Task Four – Contingency

Under the Phase I PSA a total amount of \$26,149.50 has been billed for legal services provided between February and May. This exceeds the initial PSA by \$4,029.50.

Phase II was anticipated to be a review of a binding agreement between the parties. The process is moving much quicker with the CBW and SEARHC, and has moved straight into development of, and due diligence associated with, a transactional document called the Asset Purchase Agreement (APA), under which SEARHC will assume operations of the existing hospital and agree to construct and operate a new hospital. This work also includes development of a lease document for SEARHC to lease the existing hospital structure from the Borough during construction of the new facility. Under the lease SEARHC will take on the responsibility for all maintenance and operations of the building.

The amount of time and intensity required to address the complex nuances of the Asset Purchase Agreement, the APA Schedules of Representations and Warranties, and the lease, is significant. In addition to the two main attorneys working for us, there is a team working with them to address more specialized subjects like real estate, personnel, etc.

Amendment #1 to the PSA includes seven different sub-tasks as outlined below. Please note the items associated with Task 1 – June 2018 Tasks have already been completed. The total amount of the invoice just received for June is \$79,051.02. The remaining balance of the amendment covers the \$4,029.50 overage to Phase I work, and Tasks 2-7 for an estimated cost of \$211,549.98. The hope is this estimate is high, but we want to be sure there is enough money on the contract to address the full scope of work to be accomplished.

#### Task 1- June 2018 Tasks

- Review and prepare responses to due diligence requests
- Review and revise asset purchase agreement (APA), including analysis of real estate, employment, health law, employee benefit, municipal, and legal issues
- Research state and federal laws implicated by first draft of APA
- Prepare and revise detailed closing checklist
- Telephone and in-person meetings with Borough Manager and Dorsey attorneys to review APA and legal and operational issues
- Trip to Seattle to meet with SEARHC Counsel and Borough Manager
- Negotiate with SEARHC Counsel
- Prepare disclosure schedules
- Review, organize and analyze contracts in preparation for notice to vendors
- Review and analyze second draft of APA prepared by SEARHC Counsel
- Meetings among Dorsey attorneys, with Borough Manager, and SEARHC Counsel to discuss same.

#### Task 2-Disclosure Schedules and Contracts Review (July 2018 to end of contract term)

- Analyze and revise disclosure schedules
- Analyze assignment and termination of contracts
- Prepare notifications to all contracted parties
- Contingency for additional assistance by counsel

Subtotal Task 2

75 hours

#### Task 3- Negotiation of Asset Purchase Agreement (July 2018 to end of contract term)

- Analysis of revisions to APA, including additional legal research and analysis
- Draft revisions to APA



- Meetings with attorneys, Borough Manager, and SEARHC Counsel to negotiate
- Subtotal Task 3 150 hours

Task 4- Financial Consultation and Advisory Services of Root Valuation (July 2018 to end of contract term)

- Review APA to identify assets and liabilities that require valuation
- Review of the valuation performed on behalf of SEARHC
- Provide analysis and consultation pertaining to various valuation concepts
- Appraisal

Subtotal Task 4 108 hours

Task 5- Preparation of lease and advice regarding other real estate and valuation issues (July 2018 to end of contract term)

- Draft lease and real estate provisions in APA, negotiate same 30 hours
- Legal analysis and advice based on Root's Valuation 35 hours

Subtotal Task 5 65 hours

Task 6- Approval, Closing and Operations Transfer Matters (July 2018 to end of contract term)

- Prepare Executive Summary of APA, lease and related documents for Assembly meeting
- Trip to Wrangell to meet with staff and Assembly
- Prepare exhibits and closing documents
- Assist with state and federal regulatory notifications and real property and other filings related to sale of assets

Subtotal Task 6 100 hours

Task 7- Post Closing Matters (July 2018 to end of contract term)

- Assistance with post-closing state and federal agency notifications, contractor negotiations, legal analysis, additional document preparation and negotiation
- Contingency for additional legal services

Subtotal Task 7 40 hours

Please see the attached PSA amendment document. Louann Cutler from Dorsey & Whitney will be on the phone to answer questions for the Assembly. Please also note Task 4 – Financial Consultation and Advisory Services of Root Valuation. Part of this PSA Amendment under Task 4 includes an estimated \$39,200 in fees for the Borough to have its own independent value determination of the transaction completed by a professional healthcare evaluator. It is extremely important the Borough conduct an independent evaluation to confirm the value of the entire transaction outlined in the Asset Purchase Agreement (APA). The Wrangell Municipal Code requires a vote of the people for any divestiture of real and personal property exceeding \$1 Million. The APA includes several components in one transaction, the aggregate of which must be valued. This will allow the Manager and the Attorneys to present the Assembly and the public with an independently determined valuation. The proposal from Root Valuation is also attached for review by the Assembly.

**The funding for this agreement is coming from the Hospital Grant from the State of Alaska. The unencumbered balance of the grant is \$1,029,715.11.**

## **Amendment to Agreement for Professional Services**

This Amendment to the Agreement for Professional Services (the “Amendment”) by and between the CITY & BOROUGH OF WRANGELL, ALASKA (“CBW”) and Dorsey & Whitney LLP (“Attorney”) shall be effective on June 1, 2018.

**WHEREAS** CBW engaged Attorney pursuant to the terms of a Professional Services Agreement dated January 24, 2018 (the “Agreement”) to assist and advise CBW related to the sale of assets of the Wrangell Medical Center to Southeast Alaska Regional Health Consortium (the “Hospital Sale”); and

**WHEREAS** the Agreement set out in Appendix A, the Attorney Scope of Work for Phase I of the Hospital Sale project; and

**WHEREAS** the Agreement set out in Appendix B, the Basis of Compensation for Attorney in Phase I of the Hospital Sale project; and

**WHEREAS** the Agreement in Section 3.2 contemplated that the Attorney’s professional services under Appendix A are expected to be completed by June 30, 2018; and

**WHEREAS** the parties to the Agreement desire to make certain modifications to the Agreement in recognition of the changes in time frames associated with the Hospital Sale project and the additional professional services required in order to complete the Hospital Sale project.

**NOW THEREFORE**, the parties hereto agree as follows:

**1. Article 3.2 shall be revised by replacing the last sentence with the following:**

“Work shall proceed in accordance with the schedule set forth in Appendix A. The work is expected to be completed by February 28, 2019.”

**2. Appendix A shall be revised by adding the following to the end of Appendix A:**

“The Scope of Work for Phase II shall be as described below:

Task 1- June 2018 Tasks

- Review and prepare responses to due diligence requests
- Review and revise asset purchase agreement (APA), including analysis of real estate, employment, health law, employee benefit, municipal, and legal issues
- Research state and federal laws implicated by first draft of APA
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- Telephone and in-person meetings with Borough Manager and Dorsey attorneys to review APA and legal and operational issues
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- Analyze and revise disclosure schedules
- Analyze assignment and termination of contracts
- Prepare notifications to all contracted parties
- Contingency for additional assistance by counsel

Subtotal Task 2 75 hours

Task 3- Negotiation of Asset Purchase Agreement (July 2018 to end of contract term)

- Analysis of revisions to APA, including additional legal research and analysis
- Draft revisions to APA
- Meetings with attorneys, Borough Manager, and SEARHC Counsel to negotiate

Subtotal Task 3 150 hours

Task 4- Financial Consultation and Advisory Services of Root Valuation (July 2018 to end of contract term)

- Review APA to identify assets and liabilities that require valuation
- Review of the valuation performed on behalf of SEARHC
- Provide analysis and consultation pertaining to various valuation concepts
- Appraisal

Subtotal Task 4 108 hours

Task 5- Preparation of lease and advice regarding other real estate and valuation issues (July 2018 to end of contract term)

- Draft lease and real estate provisions in APA, negotiate same 30 hours
- Legal analysis and advice based on Root's Valuation 35 hours

Subtotal Task 5 65 hours

Task 6- Approval, Closing and Operations Transfer Matters (July 2018 to end of contract term)

- Prepare Executive Summary of APA, lease and related documents for Assembly meeting
- Trip to Wrangell to meet with staff and Assembly
- Prepare exhibits and closing documents
- Assist with state and federal regulatory notifications and real property and other filings related to sale of assets

Subtotal Task 6 100 hours

Task 7- Post Closing Matters (July 2018 to end of contract term)

- Assistance with post-closing state and federal agency notifications, contractor negotiations, legal analysis, additional document preparation and negotiation
- Contingency for additional legal services

Subtotal Task 7 40 hours

**3. Appendix B shall be revised by adding the following to the end of Appendix B:**

“On completion of the work for Phase II, and submission of monthly invoices and reports, the CBW shall pay to Attorney:

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Expenses for Smith and Cutler to attend meeting in Wrangell in August-September: \$2,500.

Total for all Tasks in Phase II and Travel Expenses: \$290,601.

All payments made to the Attorney shall be payable to:

Dorsey & Whitney LLP  
1031 West Fourth Avenue, Suite 600  
Anchorage, AK 99501-5907

All payments made to Root Valuation shall be payable to:

Root Partners, LLC  
1685 South Colorado Blvd #242  
Denver, CO 80222”

**IN WITNESS WHEREOF, the parties have executed this Amendment.**

**AUTHORIZED**

**DORSEY & WHITNEY LLP**

**CITY & BOROUGH OF WRANGELL**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Attest: \_\_\_\_\_  
By: \_\_\_\_\_  
Borough Clerk  
Date: \_\_\_\_\_

**RECOMMENDED**

Federal ID or SS#: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Borough Manager  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Corporate Secretary Attest  
Date: \_\_\_\_\_

Approved as to Form:  
By \_\_\_\_\_  
Robert P. Blasco  
Hoffman & Blasco, LLC  
Attorney for CBW



Root Partners, LLC d/b/a Root Valuation (“Contractor”) is pleased to offer the professional services described in this agreement (“Agreement”) to Dorsey and Whitney LLP (“Counsel”) on behalf of its client, City and Borough of Wrangell Alaska (“Client”) subject to the terms and conditions specified below.

## Purpose of Agreement

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Client is in the process of divesting of Wrangell Medical Center, which will be effectuated through an asset purchase agreement with Southeast Alaska Regional Health Consortium (“SEARHC”). In connection with the arrangement described above, Contractor will provide analysis and consultation to Counsel in order to advise Client regarding certain valuation matters related to the arrangement including determining the fair market value (“FMV”) of the divested assets as of a specified date (the “Valuation Date”).

It is understood that Counsel will use Contractor’s work product to assist with Counsel’s legal advice related to the sale of the Wrangell Medical Center to SEARHC. Contractor’s work product should be used solely in connection with the arrangement described above and only for this purpose. Notwithstanding the foregoing, a copy of Contractor’s work product may be provided by Client to SEARHC related to the arrangement described above, to regulatory authorities, including, but not limited to, the Internal Revenue Service, the Office of the Inspector General of the Department of Health and Human Services, the Department of Justice and the Securities and Exchange Commission, and as required by law.

## Standard of Value

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The standard of value for this engagement will be fair market value (“FMV”), generally defined as the price, expressed in terms of cash equivalents, at which a property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

For healthcare regulatory purposes, FMV is defined in accordance with the Stark III Regulations<sup>1</sup> as “the value in arm's-length transactions, consistent with the general market value. “General market value” means the price that an asset would bring as the result of bona fide bargaining between well-informed buyers and sellers who are not otherwise in a position to generate business for the other party, or the compensation that would be included in a service agreement as the result of bona fide bargaining between well-informed parties to the agreement who are not otherwise in a position to generate business for the other party, on the date of acquisition of the asset or

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<sup>1</sup> 42 CFR §411.351

at the time of the service agreement. Usually, the fair market price is the price at which bona fide sales have been consummated for assets of like type, quality, and quantity in a particular market at the time of acquisition, or the compensation that has been included in bona fide service agreements with comparable terms at the time of the agreement, where the price or compensation has not been determined in any manner that takes into account the volume or value of anticipated or actual referrals.

## Scope of Work

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The scope of this engagement shall be “Financial Consultation and Advisory Services” (the “Consulting Services”) and Appraisal Services (together, the “Services”). The Consulting Services shall be defined by the American Society of Appraisers as services where there is no expression of an opinion of value, or the primary or ultimate objective is not to express an opinion of value. Specifically, Consulting Services shall include:

- Review of the asset purchase agreement to identify assets and/or liabilities that may require valuation;
- Review of the valuation performed on behalf of SEARHC;
- Provide analysis and consultation at the direction of Counsel and/or Client pertaining to various valuation concepts including analysis of financial records of the Wrangell Medical Center

Immediately following the identification of assets or liabilities subject to valuation, Contractor shall perform the “Appraisal Services”, defined by the American Society of Appraisers as having the following characteristics:

- Its conclusion of value is expressed as either a single dollar amount or a range;
- It considers all relevant information as of the appraisal date available to the appraiser at the time of performance of the valuation;
- The appraiser conducts appropriate procedures to collect and analyze all information expected to be relevant to the valuation; and,
- The valuation considers all conceptual approaches deemed to be relevant by the appraiser.

The objective of an appraisal is to express an unambiguous opinion as to the value of a business, business ownership interest, or security, which opinion is supported by all procedures that the appraiser deems to be relevant to the valuation.

## Deliverables and Timing

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Upon Completion of the Services, or upon individual milestones, Contractor shall schedule a teleconference to provide Counsel and Client with a summary of its findings. Contractor shall deliver to Counsel and Client a written appraisal report and valuation exhibits (the “Report”) that sets forth the concluded opinion of value. The Report will be prepared in accordance with the American Society of Appraisers (“ASA”) business valuation standards and shall comply with the Uniform Standards of Professional Appraisal Practice (“USPAP”).

The Consulting Services are anticipated to be completed within one (1) week following the execution of this document. The duration to complete the Appraisal Services will depend upon the scope and nature of the assets and liabilities valued. Following identification, Contractor shall provide Client with an anticipated timeline to complete the Appraisal Services.



## Contractor Responsibilities

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Contractor (and its officers, directors, members, managers, employees, shareholders, contractors, and agents) shall have no liability to Counsel, Client or its affiliates (or their officers, directors, members, managers, employees, shareholders, contractors, and agents) with respect to the Services other than Contractor's obligation to provide the Services described herein. Except as otherwise provided, nothing contained in this Agreement shall create any relationship of agency, partnership, employment or joint venture between Contractor, Counsel and Client. Contractor, Counsel and Client are independent contractors and neither shall exercise control over the performance of the other hereunder.

## Client Responsibilities

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Counsel and Client acknowledge their intent to cooperate in good faith with Contractor to achieve the successful completion of the Services. Counsel and Client will make all reasonable efforts to accept (or return) calls from Contractor promptly, and to respond in a timely manner to requests for discussions and information. As necessary or as reasonably requested by Contractor, Counsel and Client will assist in the coordination of meetings or discussions with other parties and will instruct Client's accountants and other outside consultants to cooperate with Contractor.

## Fee Schedule / Invoicing Procedures

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**The professional fees for Services rendered pursuant to this Agreement shall be billed on an hourly basis, which will be invoiced as follows:**

- Monthly progress billings or agreed upon milestones
- A one-time administrative and data services fee of \$250
- The balance due upon delivery of the final Report

Contractor's current hourly rates for 2018 are as follows:

- |                      |                   |
|----------------------|-------------------|
| • Partner            | \$450.00 per hour |
| • Blended Staff Rate | \$300.00 per hour |
| • Admin              | \$75.00 per hour  |

Due to the nature of the Services, it is difficult to provide an accurate estimate of the fees to perform the Services. However, Client provides the following estimate of fees for completion of the Services, which may be adjusted as needed.

	Estimated	Blended	Estimated
	Hours	Rate	Fees
Initial review of deal documents and identification of assets subject to valuation	16.00	\$ 300.00	\$ 4,800.00
Valuation Analysis (will depend on subject assets)	60.00	\$ 300.00	\$ 18,000.00
Financial advisory and consulting	16.00	\$ 450.00	\$ 7,200.00
<b>Subtotal</b>			<b>\$ 30,000.00</b>
On Site meetings (if required/requested)	16.00	\$ 450.00	\$ 7,200.00
<b>Out of Pocket</b>			
Flight to Wrangell			1,250.00
Hotel, meals, taxi (est. 2 nights due to travel time)			750.00
<b>Subtotal</b>			<b>9,200.00</b>
<b>Total</b>			<b>39,200.00</b>

In addition to the above, Contractor will invoice for reasonable out of pocket expenses incurred in connection with the performance of this Agreement and the Services, all of which will be passed through to Client at cost.

Unless otherwise agreed, Contractor's Services will be limited to such matters as described herein and Contractor will not undertake to perform additional services unless Contractor and Counsel so agree. If Contractor agrees to do so, Contractor's services may be expanded in the future and the terms and conditions set forth in this Agreement shall apply in all such cases and Client shall be billed at Contractor's then current hourly rates unless otherwise agreed in writing.

In the event that Counsel or Client terminates this engagement prior to the completion of the Services, Client agrees to pay Contractor for all time and expenses incurred up to the time of such written termination notice.

In the event Contractor is requested or compelled to produce documents or testify in connection with the services rendered under this engagement, regardless of the party that initiates such request, Client shall reimburse Contractor for all costs, including professional fees associated with preparing written and oral responses, attorney fees, travel time, court or deposition time, meetings or hearings, and any reasonable out-of-pocket expenses incurred.

## Payment Instructions

All checks shall be made payable to:

Root Partners, LLC  
1685 South Colorado Blvd #242  
Denver, CO 80222.

For your convenience, invoices can also be paid via bank wire transfer. Instructions for wire transfer will be provided upon request.

## Authorization

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be effective as of the day, month and year first written below.

### Dorsey and Whitney LLP

By: \_\_\_\_\_  
Name:  
Title:  
Date:

### Root Valuation

By:   
Name: Jason L. Ruchaber, CFA, ASA  
Title: Managing Partner  
Date: July 5, 2018

### City and Borough of Wrangell Alaska

By: \_\_\_\_\_  
Name:  
Title:  
Date:

**Attorney-Client Privilege and Work Product:** Contractor's client of record for this engagement is a law firm (i.e., "Counsel") representing Client. As such, Contractor's Report and related work papers are subject to the attorney-client privilege, at Counsel's direction, maintenance, and compliance. Counsel's representation of Client is also subject to the attorney-client privilege. To properly perform the Services and retain the attorney-client privilege of Contractor's deliverables, documents, and work product, Contractor will be retained by Counsel. Contractor may not disclose any such information for this engagement to any third party unless authorized in writing by Counsel or Client. Contractor's obligation to keep information confidential will survive the termination of this Agreement.

## Invoicing Instructions (Required)

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All invoices of Contractor for the Services contemplated hereunder shall be billed directly to Client at the following address:

Billing Contact	Lisa Von Bargaen
Title	Borough Manager
Address	P.O. Box 531
City, ST Zip	Wrangell, AK 99929
Phone	(907) 874-2381
email	lvonbargaen@wrangell.com

## Disclaimers, Terms and Conditions

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1. **GOVERNING LAW-VENUE:** The parties hereto stipulate that this Agreement shall be governed by the laws of the State of Alaska. All services performed pursuant to this Agreement will be deemed to have been performed in Wrangell, Alaska and any disputes shall be adjudicated in a legal venue of competent jurisdiction in Alaska. In the event of litigation relating to the subject matter of this Agreement, the parties hereto agree that the non-prevailing party shall reimburse the prevailing party for all reasonable attorney fees and costs resulting therefrom.
2. **CONFIDENTIAL INFORMATION; ELECTRONIC COMMUNICATION:** During the course of this engagement, and for a period of time thereafter as required to support its opinions and conclusions, Contractor will maintain a work file related to the Services. Contractor will take appropriate action to protect any confidential information received from Counsel, Client or other sources. Contractor regularly communicates with Counsel and Client by electronic means, including facsimile, e-mail and/or cellular phones. These forms of communication are not entirely secure against unauthorized access, and therefore contain some risk of loss of confidentiality or attorney-client privilege. If Counsel or Client objects to Contractor's use of any of these forms of communication, please notify Contractor of that fact in writing so that Contractor may take appropriate steps to honor such request.
3. **NON-ASSIGNMENT:** Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party without the prior written consent of the other parties, provided, however, that a party may (i) assign this Agreement to any entity that acquires all or substantially all of such party's assets or its business that is the subject hereof, or (ii) upon written notice to the other party, assign this Agreement to any entity that is owned by such party.
4. **REPRESENTATIONS AND WARRANTIES:** Each party represents and warrants that it is not an Excluded Provider. For purposes of this section, the term "Excluded Provider" means a person or entity that either (1) has been convicted of a crime related to health care, or (ii) is currently listed by a federal agency as debarred, excluded or otherwise ineligible for participation in federally funded programs (including without limitation federally-funded health care programs such as Medicare and Medicaid).
5. **OWNERSHIP OF DELIVERABLES:** Contractor is the sole owner of its opinions, reports and exhibits, including copyrights and trademarks. Contractor grants Counsel an exclusive, royalty-free, irrevocable right to use the Report for purposes of advising Client. To the extent that Counsel or Client wish to disclose to any third party the work product of Contractor, including, without limitation, the Report, Counsel or Client shall first notify Contractor prior to such disclosure. Contractor may require any third party to execute a non-reliance and release letter acceptable to Contractor in form and substance. Contractor does not assume any liability for the use, interpretation or communication of Contractor's work product by third parties. Further, Contractor will not assume, or be deemed to have assumed, any responsibility, obligation or liability to any third party to which any advice, report or other work product is disclosed or otherwise made available.
6. **INDEMNIFICATION AND LIMITATION OF LIABILITY:** Client shall indemnify and hold harmless Contractor, Contractor's directors, officers, members, managers, affiliates, agents, contractors, and employees (the "Indemnitees") from and against any and all liability, claims, demands, damages, losses, and expenses,

including but not limited to reasonable attorney's fees, resulting from the Client's breach of this Agreement or from any third-party claims. Contractor shall not be liable for any delays resulting from circumstances or causes beyond Contractor's reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority. The parties shall not be liable to each other for any consequential, incidental, special or punitive damages, nor shall the parties be liable for direct compensatory damages in excess of the fees actually received by Contractor for the performance of services hereunder.

7. **HIPAA REQUIREMENTS:** Contractor agrees to comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d ("HIPAA") and any current and future regulations promulgated thereunder including without limitation the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164 (the "Federal Privacy Regulations"), the federal security standards contained in 45 C.F.R. Part 142 (the "Federal Security Regulations"), and the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162, all collectively referred to herein as "HIPAA Requirements." Contractor agrees not to use or further disclose any Protected Health Information (as defined in Federal Privacy Regulations) or Individually Identifiable Health Information (as defined in 42 U.S.C. Section 1320d), other than as permitted by HIPAA Requirements and the terms of this Agreement. Each party will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations. Unless specifically requested by Contractor and reasonably necessary in the performance of the Services hereunder, Client agrees not to provide individually identifiable health information to Contractor.

**CITY & BOROUGH OF WRANGELL, ALASKA**  
**SPECIAL BOROUGH ASSEMBLY AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>NO.</u>	<b>5d</b>	<u>DATE:</u>	July 11, 2018
Approval to reschedule the July 24, 2018 Regular Assembly meeting to August 7, 2018				
<u>SUBMITTED BY:</u>			<u>FISCAL NOTE:</u>	
			Expenditure Required: none	
Lisa Von Bargaen, Borough Manager			Amount Budgeted: none	
			Account Number(s): none	
			Account Name(s): none	
<u>Reviews/Approvals/Recommendations</u>				
n/a			Unencumbered Balance(s) (prior to expenditure):	
Name(s)				
<input type="checkbox"/>	Attorney			
n/a	Insurance			
<u>ATTACHMENTS:</u> None.				

**Proposed Motion:**  
**Move to approve Rescheduling the July 24, 2018 Regular Assembly meeting to August 7, 2018.**

**SUMMARY STATEMENT:**  
 Due to unexpected doctor appointment (specialist in Anchorage) for the Manager and the request by at least one Assembly member, the Clerk queried the Assembly last week about the possibility of changing the date of the July 24<sup>th</sup> regular meeting to August 7<sup>th</sup>. The Assembly replied in the affirmative. This agenda item formalizes the date change for the meeting. The Assembly's flexibility is greatly appreciated.

**CITY & BOROUGH OF WRANGELL, ALASKA**  
**SPECIAL BOROUGH ASSEMBLY AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>NO.</u>	<b>5e</b>	<u>DATE:</u>	July 11, 2018
Approval to hold a Special Assembly meeting on August 2, 2018				
<u>SUBMITTED BY:</u>			<u>FISCAL NOTE:</u>	
			Expenditure Required: none	
Lisa Von Bargaen, Borough Manager			Amount Budgeted: none	
			Account Number(s): none	
			Account Name(s): none	
<u>Reviews/Approvals/Recommendations</u>				
n/a			Unencumbered Balance(s) (prior to expenditure):	
Name(s)			none	
<input type="checkbox"/>	Attorney			
n/a	Insurance			
<u>ATTACHMENTS:</u> None.				

**Proposed Motion:**

**Move to approve holding a Special Assembly meeting on August 2, 2018 at 5:30 p.m.**

**SUMMARY STATEMENT:**

The Manager and Dorsey & Whitney attorneys have been working diligently on the Asset Purchase Agreement and Lease Document associated the community healthcare solution with SEARHC. On June 12<sup>th</sup> the Assembly approved the resolution authorizing this work. The agenda statement included an estimated schedule of items, including the need for a special meeting on August 2<sup>nd</sup> at which the Assembly will meet in person with the Dorsey & Whitney attorneys and the Manager in an executive session to go over the transactional details of the Asset Purchase Agreement and the Lease. This agenda item authorizes that special meeting and executive session.

**CITY & BOROUGH OF WRANGELL, ALASKA**  
**SPECIAL BOROUGH ASSEMBLY AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>NO.</u>	<b>5f</b>	<u>DATE:</u>	July 11, 2018
Approval of Amendment #1 to the Professional Services Agreement with Dorsey & Whitney, LLP for Healthcare Consulting Services in the Amount of \$294,630.50.				
<u>SUBMITTED BY:</u>		<u>FISCAL NOTE:</u>		
Lisa Von Bargaen, Borough Manager		<b>Expenditure Required:</b>		
		\$294,630.50		
		<b>Amount Budgeted:</b>		
		\$22,120 (From initial PSA)		
		<b>Account Number(s):</b>		
		80020 000 7519		
<u>Reviews/Approvals/Recommendations</u>		<b>Account Name(s):</b>		
		CIP Professional Services, Contractual		
_____	Commission, Board or Committee		<b>Unencumbered Balance(s) (prior to expenditure):</b>	
Name(s)	Review Team		\$1,029,715.11	
_____	Attorney			
_____	Insurance			
<u>ATTACHMENTS:</u>				
1. Dorsey & Whitney Amendment; 2. Root Valuation Document.				

**RECOMMENDATION:**

Move to Approve Amendment #1 to the Professional Services Agreement with Dorsey & Whitney, LLP for Healthcare Consulting Services in the Amount of \$294,630.50.

**SUMMARY STATEMENT:**

On February 6, 2018 the Assembly approved a Professional Services Agreement (PSA) with Dorsey & Whitney, LLP in the amount of \$22,120 for Healthcare Consulting Services. The scope of the initial PSA was for Phase I of work with SEARHC regarding exploration of a community healthcare solution. Phase I initially included four tasks:

- Task One – Letter of Intent Review
- Task Two – Architectural Agreement Review
- Task Three – Healthcare Industry Inquiry
- Task Four – Contingency



## **Amendment to Agreement for Professional Services**

This Amendment to the Agreement for Professional Services (the “Amendment”) by and between the CITY & BOROUGH OF WRANGELL, ALASKA (“CBW”) and Dorsey & Whitney LLP (“Attorney”) shall be effective on June 1, 2018.

**WHEREAS** CBW engaged Attorney pursuant to the terms of a Professional Services Agreement dated January 24, 2018 (the “Agreement”) to assist and advise CBW related to the sale of assets of the Wrangell Medical Center to Southeast Alaska Regional Health Consortium (the “Hospital Sale”); and

**WHEREAS** the Agreement set out in Appendix A, the Attorney Scope of Work for Phase I of the Hospital Sale project; and

**WHEREAS** the Agreement set out in Appendix B, the Basis of Compensation for Attorney in Phase I of the Hospital Sale project; and

**WHEREAS** the Agreement in Section 3.2 contemplated that the Attorney’s professional services under Appendix A are expected to be completed by June 30, 2018; and

**WHEREAS** the parties to the Agreement desire to make certain modifications to the Agreement in recognition of the changes in time frames associated with the Hospital Sale project and the additional professional services required in order to complete the Hospital Sale project.

**NOW THEREFORE**, the parties hereto agree as follows:

**1. Article 3.2 shall be revised by replacing the last sentence with the following:**

“Work shall proceed in accordance with the schedule set forth in Appendix A. The work is expected to be completed by February 28, 2019.”

**2. Appendix A shall be revised by adding the following to the end of Appendix A:**

“The Scope of Work for Phase II shall be as described below:

Task 1- June 2018 Tasks

- Review and prepare responses to due diligence requests
- Review and revise asset purchase agreement (APA), including analysis of real estate, employment, health law, employee benefit, municipal, and legal issues
- Research state and federal laws implicated by first draft of APA
- Prepare and revise detailed closing checklist
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Task 2-Disclosure Schedules and Contracts Review (July 2018 to end of contract term)

- Analyze and revise disclosure schedules
- Analyze assignment and termination of contracts
- Prepare notifications to all contracted parties
- Contingency for additional assistance by counsel

Subtotal Task 2 75 hours

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Subtotal Task 3 150 hours

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Total for all Tasks in Phase II and Travel Expenses: \$290,601.

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1031 West Fourth Avenue, Suite 600  
Anchorage, AK 99501-5907

All payments made to Root Valuation shall be payable to:

Root Partners, LLC  
1685 South Colorado Blvd #242  
Denver, CO 80222”

**IN WITNESS WHEREOF, the parties have executed this Amendment.**

**AUTHORIZED**

**DORSEY & WHITNEY LLP**

**CITY & BOROUGH OF WRANGELL**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_  
Attest: \_\_\_\_\_  
By: \_\_\_\_\_  
Borough Clerk  
Date: \_\_\_\_\_

**RECOMMENDED**

Federal ID or SS#: \_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Borough Manager  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Corporate Secretary Attest  
Date: \_\_\_\_\_

Approved as to Form:  
By \_\_\_\_\_  
Robert P. Blasco  
Hoffman & Blasco, LLC  
Attorney for CBW



Root Partners, LLC d/b/a Root Valuation (“Contractor”) is pleased to offer the professional services described in this agreement (“Agreement”) to Dorsey and Whitney LLP (“Counsel”) on behalf of its client, City and Borough of Wrangell Alaska (“Client”) subject to the terms and conditions specified below.

## Purpose of Agreement

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Client is in the process of divesting of Wrangell Medical Center, which will be effectuated through an asset purchase agreement with Southeast Alaska Regional Health Consortium (“SEARHC”). In connection with the arrangement described above, Contractor will provide analysis and consultation to Counsel in order to advise Client regarding certain valuation matters related to the arrangement including determining the fair market value (“FMV”) of the divested assets as of a specified date (the “Valuation Date”).

It is understood that Counsel will use Contractor’s work product to assist with Counsel’s legal advice related to the sale of the Wrangell Medical Center to SEARHC. Contractor’s work product should be used solely in connection with the arrangement described above and only for this purpose. Notwithstanding the foregoing, a copy of Contractor’s work product may be provided by Client to SEARHC related to the arrangement described above, to regulatory authorities, including, but not limited to, the Internal Revenue Service, the Office of the Inspector General of the Department of Health and Human Services, the Department of Justice and the Securities and Exchange Commission, and as required by law.

## Standard of Value

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The standard of value for this engagement will be fair market value (“FMV”), generally defined as the price, expressed in terms of cash equivalents, at which a property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

For healthcare regulatory purposes, FMV is defined in accordance with the Stark III Regulations<sup>1</sup> as “the value in arm's-length transactions, consistent with the general market value. “General market value” means the price that an asset would bring as the result of bona fide bargaining between well-informed buyers and sellers who are not otherwise in a position to generate business for the other party, or the compensation that would be included in a service agreement as the result of bona fide bargaining between well-informed parties to the agreement who are not otherwise in a position to generate business for the other party, on the date of acquisition of the asset or

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<sup>1</sup> 42 CFR §411.351

at the time of the service agreement. Usually, the fair market price is the price at which bona fide sales have been consummated for assets of like type, quality, and quantity in a particular market at the time of acquisition, or the compensation that has been included in bona fide service agreements with comparable terms at the time of the agreement, where the price or compensation has not been determined in any manner that takes into account the volume or value of anticipated or actual referrals.

## Scope of Work

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The scope of this engagement shall be “Financial Consultation and Advisory Services” (the “Consulting Services”) and Appraisal Services (together, the “Services”). The Consulting Services shall be defined by the American Society of Appraisers as services where there is no expression of an opinion of value, or the primary or ultimate objective is not to express an opinion of value. Specifically, Consulting Services shall include:

- Review of the asset purchase agreement to identify assets and/or liabilities that may require valuation;
- Review of the valuation performed on behalf of SEARHC;
- Provide analysis and consultation at the direction of Counsel and/or Client pertaining to various valuation concepts including analysis of financial records of the Wrangell Medical Center

Immediately following the identification of assets or liabilities subject to valuation, Contractor shall perform the “Appraisal Services”, defined by the American Society of Appraisers as having the following characteristics:

- Its conclusion of value is expressed as either a single dollar amount or a range;
- It considers all relevant information as of the appraisal date available to the appraiser at the time of performance of the valuation;
- The appraiser conducts appropriate procedures to collect and analyze all information expected to be relevant to the valuation; and,
- The valuation considers all conceptual approaches deemed to be relevant by the appraiser.

The objective of an appraisal is to express an unambiguous opinion as to the value of a business, business ownership interest, or security, which opinion is supported by all procedures that the appraiser deems to be relevant to the valuation.

## Deliverables and Timing

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Upon Completion of the Services, or upon individual milestones, Contractor shall schedule a teleconference to provide Counsel and Client with a summary of its findings. Contractor shall deliver to Counsel and Client a written appraisal report and valuation exhibits (the “Report”) that sets forth the concluded opinion of value. The Report will be prepared in accordance with the American Society of Appraisers (“ASA”) business valuation standards and shall comply with the Uniform Standards of Professional Appraisal Practice (“USPAP”).

The Consulting Services are anticipated to be completed within one (1) week following the execution of this document. The duration to complete the Appraisal Services will depend upon the scope and nature of the assets and liabilities valued. Following identification, Contractor shall provide Client with an anticipated timeline to complete the Appraisal Services.

## Contractor Responsibilities

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Contractor (and its officers, directors, members, managers, employees, shareholders, contractors, and agents) shall have no liability to Counsel, Client or its affiliates (or their officers, directors, members, managers, employees, shareholders, contractors, and agents) with respect to the Services other than Contractor's obligation to provide the Services described herein. Except as otherwise provided, nothing contained in this Agreement shall create any relationship of agency, partnership, employment or joint venture between Contractor, Counsel and Client. Contractor, Counsel and Client are independent contractors and neither shall exercise control over the performance of the other hereunder.

## Client Responsibilities

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Counsel and Client acknowledge their intent to cooperate in good faith with Contractor to achieve the successful completion of the Services. Counsel and Client will make all reasonable efforts to accept (or return) calls from Contractor promptly, and to respond in a timely manner to requests for discussions and information. As necessary or as reasonably requested by Contractor, Counsel and Client will assist in the coordination of meetings or discussions with other parties and will instruct Client's accountants and other outside consultants to cooperate with Contractor.

## Fee Schedule / Invoicing Procedures

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**The professional fees for Services rendered pursuant to this Agreement shall be billed on an hourly basis, which will be invoiced as follows:**

- Monthly progress billings or agreed upon milestones
- A one-time administrative and data services fee of \$250
- The balance due upon delivery of the final Report

Contractor's current hourly rates for 2018 are as follows:

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|----------------------|-------------------|
| • Partner            | \$450.00 per hour |
| • Blended Staff Rate | \$300.00 per hour |
| • Admin              | \$75.00 per hour  |

Due to the nature of the Services, it is difficult to provide an accurate estimate of the fees to perform the Services. However, Client provides the following estimate of fees for completion of the Services, which may be adjusted as needed.

	Estimated	Blended	Estimated
	Hours	Rate	Fees
Initial review of deal documents and identification of assets subject to valuation	16.00	\$ 300.00	\$ 4,800.00
Valuation Analysis (will depend on subject assets)	60.00	\$ 300.00	\$ 18,000.00
Financial advisory and consulting	16.00	\$ 450.00	\$ 7,200.00
<b>Subtotal</b>			<b>\$ 30,000.00</b>
On Site meetings (if required/requested)	16.00	\$ 450.00	\$ 7,200.00
<b>Out of Pocket</b>			
Flight to Wrangell			1,250.00
Hotel, meals, taxi (est. 2 nights due to travel time)			750.00
<b>Subtotal</b>			<b>9,200.00</b>
<b>Total</b>			<b>39,200.00</b>

In addition to the above, Contractor will invoice for reasonable out of pocket expenses incurred in connection with the performance of this Agreement and the Services, all of which will be passed through to Client at cost.

Unless otherwise agreed, Contractor's Services will be limited to such matters as described herein and Contractor will not undertake to perform additional services unless Contractor and Counsel so agree. If Contractor agrees to do so, Contractor's services may be expanded in the future and the terms and conditions set forth in this Agreement shall apply in all such cases and Client shall be billed at Contractor's then current hourly rates unless otherwise agreed in writing.

In the event that Counsel or Client terminates this engagement prior to the completion of the Services, Client agrees to pay Contractor for all time and expenses incurred up to the time of such written termination notice.

In the event Contractor is requested or compelled to produce documents or testify in connection with the services rendered under this engagement, regardless of the party that initiates such request, Client shall reimburse Contractor for all costs, including professional fees associated with preparing written and oral responses, attorney fees, travel time, court or deposition time, meetings or hearings, and any reasonable out-of-pocket expenses incurred.

## Payment Instructions

All checks shall be made payable to:

Root Partners, LLC  
1685 South Colorado Blvd #242  
Denver, CO 80222.

For your convenience, invoices can also be paid via bank wire transfer. Instructions for wire transfer will be provided upon request.



## Authorization

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be effective as of the day, month and year first written below.

### Dorsey and Whitney LLP

By: \_\_\_\_\_  
Name:  
Title:  
Date:

### Root Valuation

By:   
Name: Jason L. Ruchaber, CFA, ASA  
Title: Managing Partner  
Date: July 5, 2018

### City and Borough of Wrangell Alaska

By: \_\_\_\_\_  
Name:  
Title:  
Date:

**Attorney-Client Privilege and Work Product:** Contractor's client of record for this engagement is a law firm (i.e., "Counsel") representing Client. As such, Contractor's Report and related work papers are subject to the attorney-client privilege, at Counsel's direction, maintenance, and compliance. Counsel's representation of Client is also subject to the attorney-client privilege. To properly perform the Services and retain the attorney-client privilege of Contractor's deliverables, documents, and work product, Contractor will be retained by Counsel. Contractor may not disclose any such information for this engagement to any third party unless authorized in writing by Counsel or Client. Contractor's obligation to keep information confidential will survive the termination of this Agreement.

## Invoicing Instructions (Required)

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All invoices of Contractor for the Services contemplated hereunder shall be billed directly to Client at the following address:

Billing Contact	Lisa Von Bargaen
Title	Borough Manager
Address	P.O. Box 531
City, ST Zip	Wrangell, AK 99929
Phone	(907) 874-2381
email	lvonbargaen@wrangell.com

## Disclaimers, Terms and Conditions

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1. **GOVERNING LAW-VENUE:** The parties hereto stipulate that this Agreement shall be governed by the laws of the State of Alaska. All services performed pursuant to this Agreement will be deemed to have been performed in Wrangell, Alaska and any disputes shall be adjudicated in a legal venue of competent jurisdiction in Alaska. In the event of litigation relating to the subject matter of this Agreement, the parties hereto agree that the non-prevailing party shall reimburse the prevailing party for all reasonable attorney fees and costs resulting therefrom.
2. **CONFIDENTIAL INFORMATION; ELECTRONIC COMMUNICATION:** During the course of this engagement, and for a period of time thereafter as required to support its opinions and conclusions, Contractor will maintain a work file related to the Services. Contractor will take appropriate action to protect any confidential information received from Counsel, Client or other sources. Contractor regularly communicates with Counsel and Client by electronic means, including facsimile, e-mail and/or cellular phones. These forms of communication are not entirely secure against unauthorized access, and therefore contain some risk of loss of confidentiality or attorney-client privilege. If Counsel or Client objects to Contractor's use of any of these forms of communication, please notify Contractor of that fact in writing so that Contractor may take appropriate steps to honor such request.
3. **NON-ASSIGNMENT:** Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any party without the prior written consent of the other parties, provided, however, that a party may (i) assign this Agreement to any entity that acquires all or substantially all of such party's assets or its business that is the subject hereof, or (ii) upon written notice to the other party, assign this Agreement to any entity that is owned by such party.
4. **REPRESENTATIONS AND WARRANTIES:** Each party represents and warrants that it is not an Excluded Provider. For purposes of this section, the term "Excluded Provider" means a person or entity that either (1) has been convicted of a crime related to health care, or (ii) is currently listed by a federal agency as debarred, excluded or otherwise ineligible for participation in federally funded programs (including without limitation federally-funded health care programs such as Medicare and Medicaid).
5. **OWNERSHIP OF DELIVERABLES:** Contractor is the sole owner of its opinions, reports and exhibits, including copyrights and trademarks. Contractor grants Counsel an exclusive, royalty-free, irrevocable right to use the Report for purposes of advising Client. To the extent that Counsel or Client wish to disclose to any third party the work product of Contractor, including, without limitation, the Report, Counsel or Client shall first notify Contractor prior to such disclosure. Contractor may require any third party to execute a non-reliance and release letter acceptable to Contractor in form and substance. Contractor does not assume any liability for the use, interpretation or communication of Contractor's work product by third parties. Further, Contractor will not assume, or be deemed to have assumed, any responsibility, obligation or liability to any third party to which any advice, report or other work product is disclosed or otherwise made available.
6. **INDEMNIFICATION AND LIMITATION OF LIABILITY:** Client shall indemnify and hold harmless Contractor, Contractor's directors, officers, members, managers, affiliates, agents, contractors, and employees (the "Indemnitees") from and against any and all liability, claims, demands, damages, losses, and expenses,

including but not limited to reasonable attorney's fees, resulting from the Client's breach of this Agreement or from any third-party claims. Contractor shall not be liable for any delays resulting from circumstances or causes beyond Contractor's reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority. The parties shall not be liable to each other for any consequential, incidental, special or punitive damages, nor shall the parties be liable for direct compensatory damages in excess of the fees actually received by Contractor for the performance of services hereunder.

7. **HIPAA REQUIREMENTS:** Contractor agrees to comply with the Health Insurance Portability and Accountability Act of 1996, as codified at 42 U.S.C. § 1320d ("HIPAA") and any current and future regulations promulgated thereunder including without limitation the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164 (the "Federal Privacy Regulations"), the federal security standards contained in 45 C.F.R. Part 142 (the "Federal Security Regulations"), and the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162, all collectively referred to herein as "HIPAA Requirements." Contractor agrees not to use or further disclose any Protected Health Information (as defined in Federal Privacy Regulations) or Individually Identifiable Health Information (as defined in 42 U.S.C. Section 1320d), other than as permitted by HIPAA Requirements and the terms of this Agreement. Each party will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with the Federal Privacy Regulations. Unless specifically requested by Contractor and reasonably necessary in the performance of the Services hereunder, Client agrees not to provide individually identifiable health information to Contractor.