

**WORTHINGTON CITY COUNCIL
REGULAR MEETING, AUGUST 27, 2012**

The meeting was called to order at 7:00 p.m. in City Hall Council Chambers by Mayor Alan E. Oberloh with the following Aldermen present: Lyle Ten Haken, Mike Kuhle, Scott Nelson, Ron Wood, Mike Woll. Honorary Council Member: Amy Woitalewicz.

Staff present: Craig Clark, City Administrator; Brad Chapulis, Director of Community/Economic Development; Jim Laffrenzen, Public Works Superintendent; Dwayne Haffield, Director of Engineering; Janice Oberloh, City Clerk.

Others present: Jorge Lopez, SWHP; Jim Perras, CCC; Diane Graber; Rod Sankey; Ryan McGaughey and Kayla Strayer, Daily Globe.

The Pledge of Allegiance was recited.

HONORARY COUNCIL MEMBER

Mayor Oberloh recognized Amy Woitalewicz as the Honorary Council Member for the months of June, July and August 2012, noting this would be her last regular City Council meeting. Ms. Woitalewicz thanked Council for the opportunity, adding it was a great experience and she really enjoyed it.

PUBLIC HEARING - 2012 SMALL CITIES DEVELOPMENT PROGRAM GRANT

The motion was made by Alderman Ten Haken, seconded by Alderman Woll and unanimously carried to open the hearing.

Brad Chapulis, Director of Community/Economic Development, noted the public hearing was a required process to provide an update on the progress and performance of the City's current 2010 Small Cities grant, which provides residential re-hab within certain areas of town. Two public hearings are required, one at the time of application and one during the time the grant is open. The grant is scheduled to close at the end of this year. Mr. Chapulis introduced Jennifer Prins, Community Development Director for the Southwest Minnesota Housing Partnership, who is the grant administrator, to provide the update.

Ms. Prins reported that the grant was for 18 units of rehab to be completed. At this point, of the 18, there are 11 projects that have been completed, 6 are in progress, and 1 is out for bids. Over \$284,000 of rehab money has been spent, with approximately \$10,000 to \$50,000 per home, only 2 of which are outside of Worthington. The SMHP could possibly calculate the increased tax base is on the homes.

Mayor Oberloh opened the floor for testimony. None was received.

The motion was made by Alderman Kuhle, seconded by Alderman Ten Haken and unanimously

carried to close the hearing.

Mr. Chapulis noted there was no further action required by Council for the hearing.

Based on a request from Mayor Oberloh, Ryan McGaughey, Managing Editor of the Daily Globe, introduced Kayla Strayer as the new reporter for the Globe. Ms. Strayer will be reporting on future Council meetings.

AGENDA APPROVED WITH ADDITION

Staff requested the addition of *Nominating Committee Recommendations* to the agenda.

The motion was made by Alderman Ten Haken, seconded by Alderman to approve the agenda with the addition.

CONSENT AGENDA APPROVED

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to approve the consent agenda as follows:

- City Council Minutes of Regular Meeting August 13, 2012 and Special Meeting August 17, 2012
- Minutes of Boards and Commissions - Water and Light Commission Minutes of August 21, 2012; Park and Recreation Advisory Board Minutes of August 21, 2012
- Accepted a park bench donation from Kyle Hain and friends, in memory of Mitchell Benson
- Approved a 2.0 acre green space storm water utility credit for the new fire station
- Bills payable and totaling \$1,490,457.99 be ordered paid

NOMINATING COMMITTEE RECOMMENDATIONS FOR APPOINTMENTS TO COMMITTEES APPROVED

The Nominating Committee met on August 27, 2012 and were making the following recommendations to City Council for committee appointments:

Cable 3 Joint Powers Board-

Dave Copperud - to replace Gary Kraemer who resigned and moved away - indefinite term

Charter Commission-

Amanda Waljasper - to replace Gordon Moore who is no longer eligible to serve on Charter Commission with his appointment as District Judge - term expires February, 2013

Housing & Redevelopment Authority-

Royce Boehrs - for a five year term to replace
Jose Lamas who's term expires November, 2012

The motion was made by Alderman Kuhle, seconded by Alderman Woll and unanimously carried to approve the Nominating Committee recommendations as presented.

**FIRST READING PROPOSED ORDINANCE AMENDING CHAPTER 93, SECTION 93.15
(K) OF THE CITY CODE OF THE CITY OF WORTHINGTON, NOBLES COUNTY,
MINNESOTA**

Staff presented a proposed ordinance that would amend section 93.15 of the City Code of the City of Worthington to allow by approval, on a case by case basis, temporary uses of athletic fields and athletic courts, by adding the following language and renumbering the existing language:

(K6) Upon written application and on a case-by-case basis, the Park Board may temporarily lessen the restrictions set forth in Subsections (1) through (5) above and may place other restrictions or make other requirements as to such temporary uses.

Adoption of the proposed ordinance would accommodate a request from the YMCA for permission for an adult kick ball league to play at the Centennial Softball Fields.

The motion was made by Alderman Woll, seconded by Alderman Wood and unanimously carried to give a first reading to the proposed ordinance.

**PLANS AND SPECIFICATIONS APPROVED FOR TH 59 NORTH INITIAL
INFRASTRUCTURE IMPROVEMENTS PROJECT, AMENDMENTS 1, 2, AND 3 TO
PROFESSIONAL SERVICES AGREEMENT BETWEEN CITY OF WORTHINGTON AND
BOLTON AND MENK AUTHORIZED, AND RESOLUTION ADOPTED AUTHORIZING
EXECUTION OF MnDOT COOPERATIVE CONSTRUCTION AGREEMENT**

Dwayne Haffield, Director of Engineering, reported that plans and specifications for the TH 59 North Initial Infrastructure Improvements project have been reviewed and approved by MnDOT, including authorization to go out for bids. Staff was seeking Council approval of the plans and specifications, and authorization to advertise for bids to be received on September 24, 2012 and considered at the Council meeting that evening.

Also presented for Council approval were amendments 1, 2, and 3 to the agreement with Bolton and Menk dated October 25, 2010 for engineering and other professional services.

Amendment No. 1 reflects the change of scope in the project regarding the change in design from bridge crossings to storage and culvert crossings as part of the flood mitigation effort. The amendment also defines certain extra services found necessary during design and establishes the cost

for geotechnical services, previously estimated to be \$22,000. The amendment results in a net change in all fees of -\$67,370.

Amendment No. 2 adds construction phase services including staking, resident representation and material testing, and adds bidding phase services. The net change of the amendment is \$301,320 to the agreement with Bolton and Menk.

Amendment No. 3 adds services to further enhance and define the flood mitigation improvements needed upstream of Interstate 90. The additional services will outline additional definition of the channel and storage improvements required between Interstate 90 and the westerly Oxford Street crossing of CD12. Net result of the amendment is \$15, 840. A summary of the Engineering Contract with Bolton and Menk is as follows:

2010 contract:	\$280,720	
Estimated Geotechnical Services	<u>22,000</u>	
Design Budget	\$302,720	(Rounded to \$305,000)
Amendment No. 1	-45,370	
Less Geotechnical Allowance	-22,000	(Included in Amendment No. 1)
Amendment No. 3	<u>15,840</u>	
Current Design Costs	\$251,190	
Estimated Construction Fees	<u>301,320</u>	
Total Engineering	<u>\$552,510</u>	

Total estimated project cost including all engineering and contingencies is \$4,171,690, with funding projected as follows:

	Without Contingencies	With Contingencies ¹
MnDOT TED	\$1,851,782.52	\$2,050,000
MnDOT D7	100,000.00	100,000
DEED	500,000.00	500,000
CITY	<u>\$1,316,678.48</u>	<u>\$1,521,690</u>
	\$3,768,461.00	\$4,171,690

Staff was also requesting Council authorize execution of the MnDOT cooperative agreement establishing the construction items and quantities that MnDOT will fund at 70%, provides for a lump sum payment of 12% for design engineering and 8% for construction engineering, an additional lump sum payment of \$100,000 for District 7's contribution, assigns responsibility for maintenance, requires the City to provide necessary right-of-way and convey that need for TH right-of-way to MnDOT, and outlines certain other conditions the City must meet in contracting for and constructing the project. Key items in the agreement include:

- The State's ability to terminate due to lack of funds or suspend due to government shutdown
- The city must maintain the ponds, BioScience Drive and all of its utilities
- MnDOT will maintain ownership and responsibility for TH 59
- MnDOT maintains right to control the work being completed on TH 59
- City must convey the right-of-way to MnDOT needed to control and maintain the TH 59 culverts.
- MnDOT will provide 50% payment at the time of bid award and the remainder after 50% of the work has been completed, subject to the City satisfying certain requirements. Payments will be based on bids received

Mr. Haffield noted the DEED Grant Agreement has not been finalized at this time so will be presented to Council for approval prior to or at the time project bids are considered.

The motion was made by Alderman Woll, seconded by Alderman Ten Haken and unanimously carried to approve the plans and specifications for the TH 59 North Initial Infrastructure Improvements project and authorize advertisement for bids to be received on September 24, 2012 and considered for approval at the Council meeting that evening (subject to MnDOT approval), to authorize execution of Amendments 1 through 3 to the agreement between the City and Bolton and Menk dated October 25, 2010 for engineering and other professional services, and to adopt the following resolution authorizing execution of the MnDOT cooperative construction agreement:

RESOLUTION

IT IS RESOLVED that the City of Worthington enter into Mn/DOT Agreement No. 01704 with the State of Minnesota, Department of Transportation for the following purposes:

To provide for payment by the State to the City of the State's share of the costs of the grading, concrete and bituminous surfacing, pond, drainage ditch and Bridge No. 53X07 construction and other associate construction to be performed upon, along and adjacent to Trunk Highway No. 59 from 0.21 miles north of Trunk Highway No. 90 to 27th Street North within the corporate City limits under State Project No. 5304-37.

CONSTRUCTION CONTRACTS AWARDED FOR CONSTRUCTION OF EVENT CENTER

Bids were received on August 10, 2012 for the 17 scopes for work related to the construction of the Event Center. A copy of the bids is attached to these minutes. Bids were awarded for Bidscope 3 (Precast Concrete Panels) and Bidscope 5 (Steel Supply and Install) at the August 17th Special Meeting due to the lead time required for those items.

Two bids were received for Bid Scope 4 (Masonry), however, Consolidated Construction Company

(CCC), Construction Manager for the project, determined that both bids were not acceptable as the low bid did not include a bid bond and the other was significantly over the construction estimate. CCC was recommending that Council reject the masonry bids, and as the work is estimated under \$100,000, they will seek quotes for the masonry work in accordance with City Policy and present them to Council for consideration on September 10th.

Jim Perras, CCC, was present at the meeting and reported that CCC has completed their due diligence and was recommending that Council award bids for the remaining 14 scopes of work as follows:

Scope 1 (Landscape) - VIP Floral and Garden	\$51,890
Scope 2 (Cast in Place Concrete) - Groninga Construction.	\$147,181
Scope 6 (General Carpentry) - Larson Contracting.	\$231,268
Scope 7 (Roofing & Sheet Metal) - Arch Roofing & Sheet Metal.	\$150,265
Scope 8 (Entry/Windows/Glazing) - Northwest Glass.	\$55,788
Scope 9 (Drywall, Framing/Ceiling) - Sands Drywall	\$198,923
Scope 10 (EIFS) - Stucco America.	\$37,667
Scope 11 (Resilient Flooring/Carpet/Tile) - Commercial Interior Decor.	\$87,647
Scope 12 (Painting) - Hanson Painting.	\$47,870
Scope 13 (Folding Panel Partitions) - J & B Walls.	\$47,304
Scope 14 (Fire Protection) - Breth Zen Fire Protection.	\$26,465
Scope 15 (Plumbing & Piping) - Prairie Suns, Inc.	\$113,700
Scope 16 (HVAC) - Dave Vorseth HVAC.	\$107,000
Scope 17 (Electrical/Fire Alarm) - Electric Supply Co.	\$277,891

The motion was made by Alderman Woll, seconded by Alderman Nelson and unanimously carried to award the bids for the 14 Scopes of work for the Event Center as recommended by Consolidated Construction Company, and to reject the bids received for Bid Scope 4 (Masonry).

CHANGE ORDER NO. 5 TO BIOSCIENCE TRAINING AND TESTING CENTER PROJECT (A.K.A. BIOTECHNOLOGY ADVANCEMENT CENTER) APPROVED

Staff presented Change Order No. 5 to the Biotechnology Advancement Center (BAC), which consists of two items - additional electrical work to accommodate the audio visual equipment in the classroom and additional plumbing work to stub in water to the most western bay so as to avoid disturbing the classroom at the time the bay is built out in the future. Net cost of the change order is \$5,366.

The motion was made by Alderman Wood, seconded by Alderman Kuhle and unanimously carried to approve Change Order No. 5 to the Biotechnology Advancement Center.

CHANGER ORDER NO. 2 TO FORMER YMCA DEMOLITION CONTRACT APPROVED

Staff presented Change Order No. 2 to the former YMCA demolition contract for Council approval. The Change Order consists of two items, both of which are deducts. Each item was found to be unsatisfactory and properly addressed by Salonek Construction and approved by Dulas Excavating. The net result of the change order is a deduct of \$3,258.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve Change Order No. 3 to the Former YMCA Demolition Contract.

CHANGE ORDER NO. 2 APPROVED - WORTHINGTON CENTER (YMCA)

Staff presented Changer Order No. 2 for the construction of the Worthington Center (YMCA) to Council for their approval. The Change Order consists of six items - three of which are a result of additional work required by various regulatory agencies - two others that reflect the corrective work done by the Contractor and deducted from the demolition contract - and one for the additional work related to moving of the elevator shaft due to the discovery of the actual thickness of the foundation wall of the 1980's addition. The wall was found to be 39 inches thick instead of the 16 inches indicated on the plan. The net cost of the Change Order is \$5,792.00.

The motion was made by Alderman Nelson, seconded by Alderman Kuhle and unanimously carried to approve Change Order No. 2 for the construction of the Worthington Center (YMCA).

CONTRACT AWARDED - REMOVAL OF FOUNDATION WALL FOR WORTHINGTON CENTER PROJECT

With the discovery of the additional 23 inches in thickness of the foundation wall of the 1980's addition to the former YMCA facility, Salonek Construction presented a proposal of \$6,300 for the extra work. Believing the proposal to be excessive, the project team requested that Salonek reconsider their bid, which they did not. They did, however, allow the City to bring in another party to complete the work, provided it was done in a timely manner. Based on a request from staff, Southwest Building Specialists (SBS), an arm of the Southwest Minnesota Housing Partnership, provided a proposal using "work release" program participants on an at cost basis not to exceed \$4,456.

Following his review of the proposed contract, the City Attorney was recommending removal of Article III - Paragraph 2, Article IV - Paragraph 3, and Article V - Paragraph 4.

The motion was made by Alderman Wood, seconded by Alderman Woll and unanimously carried to approve the contract with SBS with the removal of the items as suggested by the City Attorney.

COUNCIL COMMITTEE REPORTS

Mayor Oberloh - Senator Klobuchar and Congressman Walz were here to discuss the lack of federal funding for the Lewis and Clark project with representatives from the Federal Bureau of Reclamation and from the State Bureau. Thought they got their message across. He, the Administrator and Eric Roos attended the ribbon cutting ceremony at the Lewis and Clark facility in Vermillion on Tuesday - 11 members are on-line with 9 that are still off. He and Mr. Clark also visited with the Senator about the Corps of Engineers regarding Whiskey Ditch.

Alderman Ten Haken - attended the ground breaking event today for the Event Center.

Alderman Kuhle - nothing to report.

Alderman Nelson - nothing to report.

Alderman Wood - nothing to report.

Alderman Woll - nothing to report.

CITY ADMINISTRATOR'S REPORT

Craig Clark, City Administrator, noted to Council that the second meeting in December was scheduled for December 24th and suggested the meeting could be moved to December 17th, the 31st or on an "as needed" basis. Council should look at their calendars and let staff know their intentions. Mr. Clark reminded Council of the budget meeting on August 29th from 7 a.m. to 11 a.m., with an additional budget meeting scheduled for 7 a.m. on September 4th if needed. He will be out of the office tomorrow to attend a LMC meeting - and thanks to everyone who attended the open house at the new fire station and the ground breaking for the Event Center, also a reminder of the groundbreaking for the college retention pond tomorrow at 9 a.m.

Mayor Oberloh suggested the meeting scheduled for December 24th be rescheduled for the 17th and cancelled if it was not needed.

ADJOURNMENT

The motion was made by Alderman Ten Haken, seconded by Alderman Kuhle and unanimously carried to adjourn the meeting at 7:59 p.m.

Janice Oberloh, MCMC
City Clerk