

**WORTHINGTON CITY COUNCIL  
SPECIAL MEETING, MAY 18, 2022**

The meeting was called to order at 4:00 p.m. in City Hall Council Chambers by Mayor Mike Kuhle with the following Council Members present: Amy Ernst, Chad Cummings, Alaina Kolpin, Chris Kielblock and Larry Janssen.

Staff members present: Steve Schnieder, City Engineer; Hyunmyeong Goo, Assistant City Engineer; Todd Wietzema, Public Works Director; Deb Olsen, Finance Director; Mindy Eggers, City Clerk.

Others present: Rick Von Holdt, Honorary Council Member; Emma McNamee, The Globe.

**DISCUSSION HELD ON OXFORD STREET RECONSTRUCTION BID OPENING REVIEW AND FUNDING OPTIONS**

Steve Schnieder, City Engineer said two bids for the Oxford Street SP Street Reconstruction Project were received on May 4, 2022. He explained the segment of roadway from McMillan Street to Smith Avenue is planned for reconstruction using Federal and State Aid funding along with a small amount for stormwater utility funds.

Engineers Estimate	Duininck Inc	Hulstein Excavating
\$3,738,131.50	\$5,034,162.00	\$5,173,778.00

Mr. Schnieder explained the State of Minnesota Office of Civil Rights reviewed the Disadvantaged Business Enterprises goals required for this contract which are 12.6%. The goals proposed by the low contractor were 1.6%, and the state rejected their bid. Duininck, Inc., the low bidder can appeal this finding.

Hulstein Excavating, the second bidder had a goal of 4.4%. The two bids were \$1,296,030.05 around 34.6%, and \$1,435,646.50, around 38.4% higher than the engineers estimate.

Worthington and Nobles County have an agreement to divide the costs for the project. If the contract is awarded, the additional cost would be around \$648,015 to \$717,823 for each entity.

Mr. Schnieder said initial conversation with the State is that there is a good chance that additional funding may be available to cover up to 80% of the additional costs. If that happens, the additional cost could be in the range of \$129,603 to \$143,564 for the city and county.

The cities federal funding is programmed for federal fiscal year 2023, while the county's federal funding is scheduled for federal fiscal year 2022. If the county federal funding is not used or exchanged with another entity the county would lose their \$1,548,000 but at this time, there doesn't appear to be an option to exchange funding.

Mr. Schnieder explained there is a good chance that the project could come in lower if rebid but it

is not anticipated that rebidding would be low enough to offset the loss of the county's federal funding, or that the County is willing or capable of making up the loss of their share of Federal funds using State Aid funding.

He said the additional cost to the city would require the use of all available State Aid funding for 2022 and 2023, or the use of local funding to cover some or all of the additional cost.

Many scenarios were discussed, it was suggested that a joint meeting be held between the City and County once we receive additional information from the State on the best way to proceed. Mr. Schnieder said he is hoping to have more information for the first council meeting in June.

### **ADJOURNMENT**

The motion was made by Council Member Janssen, seconded by Council Member Kielblock and unanimously carried to adjourn the meeting at 4:11 p.m.

Mindy L. Eggers, MCMC  
City Clerk