

**WORTHINGTON CITY COUNCIL
SPECIAL MEETING**

**4:00 P.M. - Wednesday, July 19, 2023
City Hall Council Chambers**

A. CALL TO ORDER

B. CITY COUNCIL BUSINESS - ADMINISTRATION

1. Olson Park Trail Improvements Financial Settlement Agreement

C. CITY COUNCIL BUSINESS - ENGINEERING (BLUE)

1. Homewood Hills Paving Assessment No. 118

D. ADJOURNMENT

ADMINISTRATION MEMO

DATE: JULY 19, 2023

TO: HONORABLE MAYOR AND CITY COUNCIL

SUBJECT: ITEMS REQUIRING CITY COUNCIL ACTION OR REVIEW

CASE ITEMS

1. **OLSON PARK TRAIL IMPROVEMENTS FINANCIAL SETTLEMENT AGREEMENT**

The Olson Park Trail Improvement project was completed in the latter part of 2022. The project included reconstruction of approximately 3,815 linear feet of 6-inch depth by 10-foot wide concrete paving and 2,825 linear feet of mill and 1-inch bituminous overlay. While the structural integrity of the concrete portion of the trail appears acceptable, surface imperfections and poor control joints were present throughout. It is our concern that the anticipated life of the concrete may be compromised requiring sooner than expected maintenance and replacement. Approximately 65-percent of this portion of the trail has been impacted by workmanship quality. Staff considered several options to rectify our concerns.

They included:

- Complete replacement of the concrete portion of the trail,
- Installing a bituminous overlay over the newly placed concrete, and
- Requesting a financial settlement from the Contractor as compensation for poor workmanship and future maintenance.

The general contractor has agreed to pay the City a cash settlement of \$127,300.00 in lieu of the other options noted above. This amount represents 65-percent of the concrete paving portion of the entire project.

It is Staff's recommendation to accept the cash settlement and authorize execution of the settlement agreement (*Exhibit 1*).



Form of Settlement Agreement

City of Worthington Olson Park Trail Improvements

This agreement, made on the ____ day of July, 2023, between the City of Worthington, Minnesota (hereinafter called OWNER) and Duinick, Inc. 408 6th St. Prinsburg, MN 56281 (hereinafter called CONTRACTOR).

OWNER and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

The OWNER upon cashing financial restitution via Wicks Construction, Inc. in the sum amount of \$127,300.00, will assume ownership of the trail. This agreement will relieve the CONTRACTOR and its parties from all future maintenance, warranty, and liability.

In witness whereof, the parties hereto have executed this agreement the day and year first above written.

OWNER:
City of Worthington

CONTRACTOR:
Duinick, Inc.

By: _____
Title: Mayor

By: _____
Title: Vice President

And _____
Title: City Clerk

Attest _____

Attest _____

ENGINEERING MEMO

DATE: JULY 19, 2023
TO: MAYOR AND COUNCIL
SUBJECT: ITEMS REQUIRING COUNCIL ACTION OR REVIEW

CASE ITEMS**1. HOMWOOD HILLS PAVING ASSESSMENT NO. 118**

On October 12, 2022, City Council held a public hearing to consider adoption of Paving Assessment No. 118. After hearing many concerns from the residents of the neighborhood, Council directed Staff to follow up with the residents of Homewood Hills and identify all available options.

Staff spoke with many residents and received a comprehensive list of items that residents felt are inadequate.

The project was initiated in 2019 and was completed in 2020, with assessments planned to begin in 2024. To date the City has paid \$1,185,000 in bond principal and interest with no assessments currently being collected. The total project cost, including engineering, administration, and construction expenses, amounts to \$3,079,535.03. The current assessment stands at \$804,008.39, equivalent to \$42.658 per linear foot. A deduction of approximately 1%, totaling \$23,667.60, has already been made from the total project construction cost. This deduction accounts for liquidated damages and addresses the issue of excessive roughness on part of the road surface.

After careful examination, staff has identified three potential options for this project:

1. Partial assessment deduction: Council may choose to deduct a percentage of the assessment portion of the project, thereby leaving the streets in their current condition. Staff recommends a 5% deduction from the total assessment as a suitable option. With a 5% reduction, the assessment would be lowered to \$763,807.97, approximately \$40.525 per linear foot of the lot frontage.

Staff identified that approximately 20% of the project has surface roughness issues. The assessment calculation considered the area outside the center 24 feet, specifically 8 feet of the 32-foot-wide road, extending from curb to curb. Consequently, 20% of 8 feet of 32 feet equates to a 5% deduction.

2. City-funded repairs: Council may proceed with the assessment and allocate funds for repairs. These repairs would involve the replacement of identified rough panels that were paved during the project. It is important to note that this option necessitates additional time for project development, acquisition of funding, scheduling, and planning. At the earliest, repairs could begin in 2024.

3. Partial deductions with repairs: Council may deduct a percentage of the assessment portion of the project cost and proceed with City-funded repairs. The repairs would involve the same scope of work as mentioned in option 2.

Considering the complexities involved, the City staff seeks clear direction from the Council regarding the preferred course of action for the Homewood Hills assessment.