

# MEMORANDUM

**TO:** Mayor Casey Voelker. Council Members; Lynn DeYoung, Joe Weis, Aaron Otten, Jim Erck, Terry Woensner, Ruby Zuraff. Finance Officer, Dawn Murphy. Planning Director, Kevin Nissen. Attorney, Todd Meierhenry.

**FROM:** Justin Weiland, City Administrator

**RE:** City Administrator Memorandum – February 18, 2025 - Regular Council Meeting

**DATE:** February 14, 2025

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**REMINDER: MEETING HELD ON TUESDAY, FEBRUARY 18 DUE TO PRESIDENTS DAY**

**CITY COUNCIL REGULAR AGENDA:**

**A. Resolution 25-02-02 - Sioux Falls Regional Sewer District Connection Fee Increase:**

**Background of Issue:** [Attached is Resolution 25-02-02 an increase to the Regional Sewer District Connection Fee.](#) The City of Tea is required to pay the City of Sioux Falls fees for new connections to our City sewer system that are then pumped to Sioux Falls. The City adopted a set of fees in 2019 based on each meter size. During adoption of the Resolution in 2019 the City Council made the decision to split the costs of the standard residential meter. The full connection fee to the City of Sioux Falls for a ¾ inch meter is \$2,391. The City established a fee of \$1,200 for a ¾ inch meter. The City then subsidizes the \$1,191 difference for each new ¾ inch meter as a payment to the City of Sioux Falls. No other meter sizes receive a City subsidy. City Administration is recommending the Council amend the ¾ meter connection fee from \$1,200 to \$2,391.

The City made the decision to subsidize 50% of the SDC connection for new residential homes based on feedback from the local development community. The City has now been subsidizing the costs of these sewer connections for nearly five years. Since 2019 the City has issues 426 single family housing permits. Therefore, the City has subsidized connection fees to the City of Sioux Falls in an estimated amount of \$490,000. City staff has communicated the City's intent with several of the developers and home builders. Upon adoption the City will send a letter to contractors and developers informing them of this change.

**Recommendation:** Recommend the City Council first hold a discussion regarding the adoption of this resolution to amend the ¾ inch meter SDC fee from \$1,200 to \$2,391. Following discussion recommend the Council approve Resolution 25-02-02 to amend the SDC fee on ¾ inch meters from \$1,200 to the full cost of \$2,391. Administration views adoption of this Resolution prior to the start of the 2025 construction season to be important as to not continue the subsidization of these fees again this year. The developers and home builders have received this break over a period of years. It is now time that they adjust their development and contractor fees to pass these costs onto the home buyers. The City is facing large scale sewer improvements from future extensions to the decommissioning of the lagoon system. Continuing the subsidy of these new home meters is detrimental to the future of the waste water fund and the ability to invest in these future infrastructure projects.

## **B. EMS and Fire Study – Fitch and Associates - Consideration:**

**Background of Issue:** *Attached are two study proposals from Fitch and Associates, a professional consultant, specializing in [Fire](#) and [EMS](#) systems. )NOTE: The City Council made a motion to approve both studies at the February 3<sup>rd</sup> Council Meeting. The motion failed on a vote of 3-1 of the City Council. A vote on expenditures requires a 2/3 majority of the Council Body. Being that there was not a full body of the Council present, the Council will reconsider the EMS and Fire Studies at the February 18<sup>th</sup> meeting.)* The City of Tea applied and received a grant from the Department of Health to cover the costs of an EMS study. The intent of this study is to assist the City with analyzing the current status of EMS, what options we have available for EMS services, and expert recommendations on the future of EMS for Tea and our service area. The City sought a quote from Fitch and Associates, a consultant that has extensive experience in EMS and Fire services and also has knowledge of the Sioux Falls metro region. Administration described what the City was seeking with an EMS study and Fitch and Associates has scoped the study to provide the City with the information that we are seeking for future decision making. The total costs of this study is \$44,995. The DOH grant will cover 100% of the costs of this study.

The Council also sought a quote from Fitch and Associates for the purpose of conducting a Fire Service study. The intent of this study would be to assist the City and our volunteer Fire Department with analyzing the current facilities, equipment and staffing of the organization, comparing our service with industry standards, looking towards the future for all of these components and providing recommendations for future Fire systems structure. Fitch and Associates provided a quote in the same amount as the EMS study for this Fire Systems study.

Administration is proposing to the Council to consider the funding of both studies concurrently. This recommendation is based on receiving a grant to pay for the EMS study. The City can also gain critical insight into our future Fire services to assist both our dedicated volunteer leadership with decision making but also our elected officials with strategic planning for this important organization. There are many factors facing our Fire services for the future and this study will assist in providing a more clear direction for the public safety of our community.

**Recommendation:** Recommend the City Council review both the EMS and Fire Services study proposals from Fitch and Associates. Recommend the Council approve the proposals with Fitch and Associates for both the EMS and Fire Services study. In the case the Council is not inclined to proceed with the Fire Services study, Administration recommends approving only the EMS study.

## **ADMINISTRATOR/FINANCE OFFICER REPORT**

**A. Personnel – Performance Evaluation Step Increase Updates** The City Council implement a Pay Plan to be implement on January 1<sup>st</sup> of 2025. The Pay Plan provides for performance evaluations to occur on the anniversary date of each employee. Employees are eligible for step increases based on performance. Wage increases are effective retroactive to their anniversary dates.

- The following is a report of employees will anniversary dates in January and February and the step increases and per hour wages that have been adjusted based on performance: Parker

Christensen 01/13 Step 15-6 (\$35.95) to 15-7 (\$36.79); Dawn Murphy 02/04 Step 26-2 (\$49.60) to (Per Direction of City Council).

- B. Election – April 8<sup>th</sup> – Notice of Vacancy and Petitions:** The Notice of Vacancy for city council and the mayor positions has been published in the newspaper and the election date has been set for the second Tuesday in April, - April 8<sup>th</sup>. All three wards of the City Council have terms expiring in 2025. Petitions can begin circulation on January 31<sup>st</sup> and are due to the Finance Officer by 5 PM on February 28<sup>th</sup>. Council position terms are three years, therefore those elected will hold office from May of 2025 to May of 2028. Please inquire with Finance Officer Murphy for guidance on petitions including the number of signatures required for your ward.
- C. Main Park Playground Design – Update:** The City has budgeted \$500,000 for the replacement of the playground equipment in the Main City Park. The City has engaged with Crouch Recreation out of Omaha Nebraska to work through the design process for a set of equipment that fits our budget. The City has the ability to purchase the equipment and the poured in place surface installation through a cooperative purchasing program. Administration plans to work through a design and present to the Council for approval in the next few weeks. We are planning a late August installation period as to not disturb the park during the heart of the summer months.
- D. Community Development Director Position – Update:** Applications for the Community Development Director closed on February 7<sup>th</sup>. The City received 7 applications for the position. The City will hold 4 interviews, which are to be held on Tuesday, February 18<sup>th</sup>.
- E. 1<sup>st</sup> Street Sewer Service Repair – Update:** The City will be repairing a sewer service on the east end of 1<sup>st</sup> Street that serves the former county property now owned by Harvard Integrations. Harvard Integrations attempted to connect to the sewer service in late August of 24 and it was discovered that the service was sloped in the wrong direction. The sewer had been installed by a City contractor during the 1<sup>st</sup> Street project in 2022. The sewer is nearly 25 feet deep in this area and also crosses under the City's forcemain to Sioux Falls as well as multiple other utilities. The City contacted the private contractor that originally installed the sewer requesting they return to the site to repair the sewer that was improperly installed. They refused to return and provided a rant of excuses and accusations towards the City. The City then contacted contractors that have the equipment and capability of working on sewer at a 30 foot depth. The City received quotes in the \$80,000 to \$100,000 range. We dragged our feet through the fall based on these high costs. However, now Harvard Integrations is at a point where they are planning to occupy their new building and have requested action by the City. In the past week the City was able to find a contractor willing to complete the work for \$55,000. The City has given First Rate Excavation the go ahead to proceed with the sewer repair. The Council should be aware that this may close a lane on 1<sup>st</sup> Street for a period of one to two weeks. Following completion of the project, the City will gather costs and attempt collection of our expenses from the contractor of the 1<sup>st</sup> Street project. The contractor has been provided with correspondence from the City of our intent to collect our expenses by all legal means available.

**EXECUTIVE SESSION** – In Accordance with SDCL 9-18- For the Purpose of Discussions for matters related to Economic Development and the Personnel of the City of Tea.