

City of Tea
Regular Meeting
February 17, 2026

The regular meeting of the Tea City Council was held at Tea City Hall on February 17 2026 at 6:00 pm.

Mayor Casey Voelker called the meeting to order at 6:00 pm with the following members present: Terry Woessner, James Erck, Josh Chapman and Lynn DeYoung. Also present: City Administrator Justin Weiland, Community Development Director Albert Schmit and Finance Officer Dawn Murphy. Absent: Councilmembers Aaron Otten and Ruby Zuraff.

AGENDA. MOTION 26-18. MOTION by Erck, seconded by Woessner to approve the February 17, 2026 Agenda. All members voted AYE.

CONSENT AGENDA. MOTION 26-19. MOTION by Woessner, seconded by Chapman to approve the following consent agenda items:

- 1) February 2, 2026 Minutes
- 2) February 17, 2026 Claims (claims will be listed at the end of the minutes)
- 3) Hiring of Lisa Smith, Part-Time Police Officer, \$31.32 per hour
- 4) Increase Part-Time Police Officers, Steve Lowry, Mark Russell & Justin Quigley hourly rate to \$32.58
- 5) Approval of Disable Veteran Property Tax Abatement pursuant to SDCL 10-4-40
- 6) Anniversary Date Pay Increase, Dawn Murphy (2/4) Finance Officer, \$114,233.60 per year (\$54.92 per hour)

PUBLIC COMMENT. There were no public comments.

PUBLIC HEARING REGARDING PROPOSED ISSUANCE OF TAX-EXEMPT REFUNDING BONDS. City Attorney Todd Meierhenry of Meierhenry Sargent spoke to the Council on acting as a Conduit Bond Financier for the University of Sioux Falls. 501(c)(3) Conduit Bonds allow nonprofit institutions to borrow at tax-exempt interest rates. Federal law requires a governmental entity to issue the bonds. When the governmental entity does not provide funding or guarantee repayment, it acts solely as a conduit issuer. The bonds are not a debt of the City; does not pledge taxes or City Revenues; and repayment comes solely from the University of Sioux Falls. The City's role is limited to procedural approvals, document execution and put the outstanding balance of the bonds in a foot note on their audit. **RESOLUTION 26-02-03. MOTION 26-20. MOTION** by DeYoung, seconded by Woessner to approve the following Resolution. All members voted AYE. **A RESOLUTION AUTHORIZING THE ISSUANCE OF REFUNDING REVENUE BONDS TO REFUND CERTAIN OUTSTANDING BONDS PREVIOUSLY ISSUED FOR THE BENEFIT OF THE UNIVERSITY OF SIOUX FALLS; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS; AND AUTHORIZING CERTAIN OTHER ACTIONS RELATED THERETO.**

WHEREAS, City of Tea, South Dakota (the "City"), is authorized pursuant to the laws of the State of South Dakota, including SDCL Chapter 9-54, §§ 6-8B-30 through 6-8B-52, and other applicable provisions of state law, to issue conduit revenue obligations for the purpose of refunding outstanding obligations previously issued for charitable, educational, or otherwise tax-exempt purposes; and

WHEREAS, the South Dakota Health and Educational Facilities Authority (the "Authority") previously issued its Revenue Bonds (University of Sioux Falls Issue), Series 2020, in the original aggregate principal amount of \$18,000,000 (the "Series 2020 Bonds"), pursuant to a Bond Trust Indenture dated as of February 1, 2020, between the Authority and U.S. Bank National Association, as trustee (the "Indenture"); and

WHEREAS, the proceeds of the Series 2020 Bonds were loaned to the University of Sioux Falls, a South Dakota nonprofit corporation described in Section 501(c)(3) of the Internal Revenue Code, to (i) refund the Authority's Revenue Bonds (University of Sioux Falls Issue), Series 2010, originally issued in the amount of \$11,157,000, (ii) finance and refinance educational facilities of the University of Sioux Falls, and (iii) pay certain costs of issuance; and

WHEREAS, the University of Sioux Falls has requested that the City serve as a conduit issuer of refunding revenue bonds (the "Refunding Bonds") for the purpose of refunding all or a portion of the outstanding Series 2020 Bonds; and

WHEREAS, the City is permitted to issue such Refunding Bonds, provided the requirements of Section 147(f) of the Internal Revenue Code are satisfied, including the holding of a public hearing following reasonable public notice and the approval of this governing body; and

WHEREAS, notice of a public hearing was duly published, and on February 17, 2026, between 6:00 p.m. and the adjournment of the meeting, the City conducted a public hearing regarding the issuance of the Refunding Bonds; and

WHEREAS, the Refunding Bonds will be special, limited obligations of the City, payable solely from revenues derived from the University of Sioux Falls pursuant to financing documents, and will not constitute a debt or obligation of the City, the State of

South Dakota, or any political subdivision thereof, nor will the credit or taxing power of the City, the State, or any political subdivision be pledged; and

WHEREAS, if issued, the Refunding Bonds are intended to be qualified 501(c)(3) bonds under Section 145 of the Internal Revenue Code.

NOW, THEREFORE, BE IT RESOLVED by the City Council of City of Tea, South Dakota, as follows:

Section 1. Approval of Refunding Bonds. The City hereby approves the issuance of the Refunding Bonds, in one or more series, in a principal amount not to exceed \$9,900,000, for the purpose of refunding the Series 2020 Bonds described in the Indenture and financing related costs of issuance.

Section 2. No City Liability. The Refunding Bonds shall be special, limited obligations, payable solely from revenues pledged for their repayment. Neither the City, the State of South Dakota, nor any political subdivision shall be obligated to pay the Refunding Bonds, and neither the City's nor the State's taxing power shall be pledged.

Section 3. Approval of Documents. The City Council hereby approves the forms of the following documents, with such changes as deemed necessary and appropriate by Meierhenry Sargent, LLP ("Bond Counsel") and City officials:

- (a) A Bond Purchase Agreement or Placement Agreement;
- (b) A Loan Agreement with the University of Sioux Falls;
- (c) The form of the Bond;
- (d) The Tax Agreement/ Tax Regulatory Agreement; and
- (e) Such other documents as may be required to issue and secure the Refunding Bonds.

Section 4. Execution and Delivery. The Mayor, Finance Officer, and other appropriate City officials are authorized and directed to execute the documents approved in Section 3 and to take all steps necessary to effectuate the issuance, sale, and delivery of the Refunding Bonds.

Section 5. TEFRA Approval. The City Council hereby gives approval for purposes of Section 147(f) of the Internal Revenue Code and confirms the public hearing held February 17, 2026 in the City Council room.

Section 6. Effective Date. This Resolution shall take effect immediately upon passage.

PASSED AND APPROVED this 17th day of February 2026.

Casey Voelker, Mayor

ATTEST: Dawn R. Murphy Finance Officer

ORDINANCE 331. The Council held the first reading of Ordinance 331, An Ordinance Adopting the Subdivision Regulations for the City of Tea, South Dakota. The full ordinance and explanation of changes can be found on the City's website and is on file at City Hall. **MOTION 26-21. MOTION** by Erck seconded by Chapman to set the second reading of Ordinance 331 for March 2, 2026. All members voted AYE.

ORDINANCE 335. The Council held the first reading of Ordinance 335. An Ordinance Amending Chapters 3, 4, 5, 6, 12 and 19 of the Zoning Regulations of the City of Tea, Lincoln County South Dakota. The full ordinance and explanation of changes can be found on the City's website and is on file at City Hall. **MOTION 26-22. MOTION** by Erck seconded by Chapman to set the second reading of Ordinance 335 for March 2, 2026. All members voted AYE.

TIF DISTRICT #2 TIF PLAN AMENDMENT #1. A TIF plan amendment may occur within five years of the adoption of the establishment of the district. Weiland worked with Colliers Securities, Tobin Morris to prepare an amendment to the TIF District #2 TIF Plan. The City has analyzed TIF #2 to determine that an amendment is justified. The amendment creates additional TIF Funds available for the completion of necessary public infrastructure that will serve the TIF District. **MOTION 26-23. MOTION** by DeYoung, seconded by Woessner to approve and adopt the following resolution. All members voted AYE. **RESOLUTION 26-02-02. A RESOLUTION OF THE CITY OF TEA CITY COUNCIL APPROVING AMENDMENT #1 TO THE TAX INCREMENT FINANCE DISTRICT #2 PROJECT PLAN.**

WHEREAS, the City of Tea City Council established Tax Increment Finance District #2 pursuant to SDCL Chapter 11-9; and
WHEREAS, Amendment #1 increases the maximum eligible project costs to \$6,999,247, consistent with SDCL § 11-9-23; and
WHEREAS, the Planning Commission has reviewed and recommended approval of Amendment #1;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Tea, South Dakota that:

1. The City Council hereby finds and determines that:
 - (a) The original Tax Increment Finance District #2 Project Plan, approved in September 2021, authorized eligible project costs in the amount of \$5,184,628.
 - (b) Amendment #1 to the Project Plan increases the maximum authorized eligible project costs to \$6,999,247.
 - (c) The increase in authorized project costs equals \$1,814,619, which represents an increase of thirty-five percent (35%) of the original approved project cost amount.

(d) Pursuant to SDCL § 11-9-23, because the increase in project costs does not exceed thirty-five percent (35%) of the amount approved in the original Project Plan, and because the additional project costs will be incurred within the time period specified in the original Project Plan, no redetermination of the tax increment base by the South Dakota Department of Revenue is required.

(e) The amended Project Plan therefore remains valid and compliant with SDCL Chapter 11-9.

2. Amendment #1 to the Tax Increment Finance District #2 Project Plan is hereby approved.

3. The amended Project Plan is adopted pursuant to SDCL Chapter 11-9.

Dated this 17th day of February 2026.

Casey Voelker, Mayor

ATTEST: Dawn R. Murphy Finance Officer

SOUTH LINCOLN RURAL WATER is leading a regionally focused group for the purpose of creating a regional wastewater system. They are seeking support from communities that may have interest in connecting to a proposed system in the future. There is no cost to the City of Tea offering support towards this project. **MOTION 26-24. MOTION** by Erck, seconded by Chapman to approve the signature of a letter of support for the proposed South Lincoln Regional Wastewater Project. All members voted AYE.

MOTION 26-25. MOTION by Chapman, seconded by Woessner to adjourn at 7:10 pm. All members voted AYE.

Casey Voelker , Mayor

ATTEST:

Dawn R. Murphy, Finance Officer

Published once at the approximate cost of _____.

**CITY OF TEA
 WARRANTS PAID FEBRUARY 17, 2026**

Vendor	Description	Amount
Ace Hardware	Supplies	253.32
American Bank & Trust	Water refund	39.46
American Engineering Testing	Lagoon samples	427.00
Avera	Drug testing & annual fee	269.40
Badger Meter	January LTE Fees	1,942.71
Banyon Data Systems	Software support	2,990.00
Bison 5 LLC	Water refund	16.27
Brentlinger, Josh	Water refund	94.20
CHS	Fuel	344.18
City of Harrisburg	Reimburse for room	131.00
City of Sioux Falls	Water testing	210.96
City of Tea	Water	416.95
Confluence	Pickleball courts	7,947.30
Confluence	Field A renovation	6,407.50
Crane Sales & Service	Repair bucket truck	2,485.94
Dakota Kids Pedal Pull	2026 Deposit	200.00
Dust-Tex	Rug service	48.32
Fareway	Supplies	167.55
FedEx	Shipping	20.28
Fitch	EMS study	33,746.25
Graybar	Gel caps	853.00
Haug Construction	Draw #4 Maintenance Building	147,330.22
HDR Engineering	On-Call - Admin	4,813.75
HDR Engineering	On-Call - Site plan reviews	7,053.75
HDR Engineering	On-Call - Review regional wastewater Agmt	1,525.00
HDR Engineering	On-Call - 468th Ave	603.75
HDR Engineering	On-Call - Streets - Gateway	
HDR Engineering	Blvd/Sundowner intersection lane extension	10,392.50
HDR Engineering	On-Call - Grant Support	225.00
HDR Engineering	On-Call - Drainage Master Plan	5,805.00
HDR Engineering	On-Call - Kerslake Drainage Channel	6,593.75
HDR Engineering	On-Call - Real Estate Services - Rick Mueller	397.50
HDR Engineering	On-Call - Heritage Sewer South	963.75
HDR Engineering	On-Call - GIS Mapping	5,270.33
HDR Engineering	On-Call - EDS updates	2,846.25
HDR Engineering	Tea Area Transportation Plan	5,367.21
HDR Engineering	Sundowner Ave	38,006.25
Houser, Woody	Water refund	50.00
Intoximeter	Supplies	351.75
John King Music	2026 Teapot Days deposit	3,750.00
Journey Trail LLC	Water refund	7.83
Knife River	Gravel	121.00
Lennox Independent Publishing	Publishing	256.85
Lincoln County Register of Deeds	Plats	67.00

Lookout Plan & Code Consulting	Site plan reviews	648.90
Malloy	Blower vibration test	330.58
Martens, Brett	Water refund	24.46
Mid American Energy	Services	3,287.71
Midwest Alarm	Alarm monitoring	91.25
Robinson, Steve	January Inspections	1,950.00
SD One Call	Locates	42.56
Sioux Falls Aare Humane Society	January services	1,095.00
Sorlien Electric	Repair generator	193.88
Southeastern Electric	Services	6,616.75
Springman, Sarah	Water refund	41.57
SD DANR	Stormwater Construction Fees	250.00
Tea Area School District	Jul-Dec library	12,363.10
Toshiba	Copy lease	186.54
Wex Bank (Get N Go)	Fuel	414.70
Xcel Energy	Street lights	5,987.54
Xcel Energy	New maintenance building power	350.00
Ziebart, Amber	Water refund	31.02

334,715.59