



**BOARD OF COMMISSIONERS AGENDA
MONDAY, DECEMBER 15, 2025
5:30 PM - COMMISSION CHAMBERS – 503 S HIGHLAND
AVENUE**

Please join the Zoom meeting from your computer, tablet or smartphone.
<https://us06web.zoom.us/j/88526683369> | Meeting ID: 885 2668 3369
You can also dial in using your phone.
+1 312-626-6799

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPT AGENDA

CONSENT CALENDAR

- 1) Minutes – December 1, 2025 Regular Meeting
- 2) Minutes – December 8, 2025 Special Meeting
- 3) Bills for Approval – December 17, 2025
- 4) Bills for Ratification – December 10, 2025
- 5) Payroll Bills for Ratification – December 5, 2025
- 6) Personnel
- 7) Approve 2026 Alcoholic Beverage License Application Renewals - Liquor/Wine
- 8) Approve Independent Contractor Agreement with Ellie Wills for Animal Control Services
- 9) Approve NICOA Application for Madison Public Library

APPEARANCES

- 10) Mike Waldner - Secure SD

UNFINISHED BUSINESS

- 11) Approve Resolution No. 2025-27 - Setting 2026 Electric Rates

NEW BUSINESS

- 12) First Reading of Ordinance No. 1684 - Supplemental Appropriations 2025
- 13) Acknowledge Resolution No. 2025-30 - Declare Necessity for Sidewalk Repair Improvement 2026 and Set Hearing Date January 5th, 2026 at 12:00 pm
- 14) Acknowledge Resolution No. 2025-31 - Declare Necessity for Sidewalk Improvement 2026 and Set Hearing Date January 5th, 2026 at 12:00 pm
- 15) Approve 2026-2028 Teamsters Collective Bargaining Agreement
- 16) Approve Memorandum of Understanding with IBEW Local 426
- 17) Approve 2026-2028 IBEW Collective Bargaining Agreement
- 18) Resolution No. 2025-32 Employee Compensation for 2026
- 19) Approve Employee Benefits at a Glance
- 20) Approve TIF # 7 Developer Agreement Assignment
- 21) Approve Updated City Administrator Employment Agreement

- 22) Discussion and action related to assessing liquidated damages on Madison Water System Improvements Segment 5A Project
- 23) Award Bid No. 987 - Chemicals
- 24) Authorize Mayor to Sign DSU Wheeling Agreement
- 25) Authorize Mayor to Sign Letter of Intent between GIGA, Heartland Energy & the City of Madison
- 26) Approve Change Order for Green Substation Site Grading Project #415935
- 27) Authorize Signature - Final Review and Acceptance Letter - Reconstruct Apron and Taxilane
- 28) December 2025 Finance Updates

PUBLIC COMMENT

ANNOUNCEMENTS

- 29) Next Regular Commission Meeting – Monday, January 5, 2026 at 12:00 pm (NEW TIME)

ADJOURN

Anyone wishing to speak to an item on the agenda must be acknowledged by the chair and come to the podium to address the Mayor and City Commission. Addressing other audience members will not be permitted.

Supplementary agenda information may be accessed at www.cityofmadisonsd.com

If special accommodations are necessary to attend any Board of Commissioners meeting, please contact the Finance Office at (605) 256-7500 at least 24 hours before meeting time. All attempts shall be made to accommodate a request.

**CITY OF MADISON
BOARD OF COMMISSIONERS PROCEEDINGS
MADISON, SD 57042**

December 1, 2025
Regular

The Board of Commissioners of the City of Madison met in regular session at 5:30 PM on the 1st day of December with the following members present upon roll call: Commissioners Kelly Dybdahl, Jenny Wolff, Jerae Wire (presiding as Chair), and Daniel Buresh. Mayor Roy Lindsay was absent.

The Pledge of Allegiance was recited.

Motion by Commissioner Buresh, seconded by Commissioner Wolff to adopt the December 1, 2025 agenda. Motion carried unanimously.

Motion by Commissioner Buresh, seconded by Commissioner Dybdahl to approve the following items on the consent calendar: Minutes – November 17, 2025; Bills for Approval – December 3, 2025; Bills for Ratification – November 26, 2025; Payroll Bills for Ratification – November 21, 2025; Personnel; Acknowledge Sidewalk Committee Meeting Minutes – November 12, 2025 – 2026 Sidewalk Project; Approve 2026 Alcoholic Beverage License Application Renewals – Liquor/Wine; Set Bid Date – December 10, 2025 – Bid No. 987 Chemicals.

Bills for Approval – December 3, 2025

A&B CONCRETE INC Concrete Work \$17,755.13; ACE HARDWARE Grass Seed \$534.63; APPEARA Mat Rentals \$210.64; AT & T MOBILITY Service for Phones & Tablets \$3,083.62; BARGAIN BARN TIRE CENTER Tires \$2,660.16; CALIBRE PRESS Training \$657.00; CENGAGE GROUP Books \$353.23; CIVIC PLUS LLC CIVIC PLUS \$997.50 ; COLUMN SOFTWARE PBC Publications \$1,675.61; DAKOTA STATE UNIVERSITY Color Copies - Property Stickers \$24.75; FASTENAL CO Parts \$4.51; FLR SANDERS INC. Armory Gymnasium Floor \$141,248.64; INGRAM CO Books \$828.16; JENCKS & JENCKS PC December Services/Contract \$5,500.00; JOHNSON BROTHERS EXCAVATION Sand \$1,471.96; KIMBALL MIDWEST Drill \$56.16; MADISON GROCERY STORE INC Groceries/Snacks \$30.50; METRO CONSTRUCTION INC Water System Improvements Segment 4 \$62,609.00; MICROMARKETING LLC Books \$834.73; MIDCONTINENT COMMUNICATIONS Business Internet \$180.19; OFFICE PEEPS INC Copier Contract \$388.50; REINICKE CONSTRUCTION INC Gravel \$122.18; RIGGIN/MORRIS A Fuel Stipend - 3rd Qtr 2025 \$6,303.40; RUNGE ENTERPRISES INC Utility & Street Improvements - Segment 9 \$67,602.10; RUNNINGS SUPPLY INC Sno-Guard Fence \$392.10; RURAL ELECTRIC SUPPLY COOP 6 Terminal Meter Socket with Bypass \$573.45; SD PUBLIC HEALTH LABORATORY Water Samples \$224.00; SEBCO BOOKS INC Books \$1,188.21; STURDEVANTS MADISON INC Batteries \$917.23; T & H WELDING Bar & Plate \$66.55; TECHNICS & PRODUCTION B.V. Tire Deflation Device \$8,600.00; THE PENWORTHY CO LLC Books \$259.76; US BANK Gen Plant Loan \$488,329.99; UTILISMART CORPORATION Utility Data/Device Manager and SmartMAP \$3,893.00; WHEALY/MARK Spin Classes \$56.00; WINTER CONTRACTING LLC N Egan Ave Reconstruction \$428,915.01; WORLD BOOK INC Books \$588.20.

Bills for Ratification – November 26, 2025

ACE HARDWARE Hardware, Blower Fan \$473.42; AIRGAS Welding Wire \$84.92; ALLEGRA Statement Forms \$90.27; AMAZON CAPITAL SERVICES INC Rec Sports Supplies, Pool Supplies, Hose Reel Cart \$2,411.85; AMERICAN WATER WORKS ASSOCIATION AWWA Operator Dues \$85.00; APPEARA Mat Rentals \$253.66; AT & T MOBILITY Fire Dept Phones & Data \$142.20; BORNS GROUP INC Printing & Postage \$1,717.99; BUFFALO RIDGE CONCRETE INC Concrete \$305.00; C&R FIRE SUPPRESSION DBA DVL FIRE AND SAFETY Fire Extinguisher Recharge & Rebuild \$177.50; CIVIC PLUS LLC Word/PPT Remediation Tool & Audio Eye \$3,882.13; COLES PETROLEUM PRODUCTS INC Fuel Report \$12,515.15; COLONIAL RESEARCH CHEM CORP Cleaner \$217.42; DGR ENGINEERING Professional Services - Green Sub \$23,931.00; DOSSETT UNDERGROUND INC Boreline: NW 1st & N West Ave \$1,440.00; F & M COOP OIL CO Fuel - Water Treatment Plant \$757.64; FASTENAL CO Drill Set \$472.09; FIRST BANK & TRUST Series 2013 Water Rev. Bond Interest Pymt \$9,063.46; FIRST PREMIER BANK CD Basin PPA \$533,575.26; FLEET PRIDE Filters \$340.74; FOX PRINT PRINTING & GRAPHICS Department Signs \$2,353.18; GRAYBAR ELECTRIC CO INC 2" Sch 80 PVC Conduit \$159.56; HILLYARD INC Janitorial Supplies \$297.66; HOLIDAY INN EXPRESS Lodging – R. Lindsay \$224.00; KLJ ENGINEERING LLC Airport Master Plan AGIS & ALP Update \$14,319.33; KRUG PRODUCTS INC Parts \$22.58; LAKE COUNTY INTERNATIONAL INC Parts \$11.77; LAKE COUNTY TREASURER Fuel Report

\$1,163.64; LEADER PRINTING Disconnect Notices \$180.00; LYLE SIGNS INC Dead-End Signs \$92.19; MAC QUEEN EQUIPMENT LLC DBA MAC QUEEN EMERGENCY Gear Set \$8,510.09; MARCO TECHNOLOGIES CC Copier Lease \$304.84; MICROMARKETING LLC DVDs \$351.95; MIDWEST PETROLEUM EQUIPMENT LLC Pump Repairs \$3,596.85; NORTH CENTRAL INTERNATIONAL SF Injector Assy \$3,395.49; O REILLY AUTOMOTIVE INC Filter \$132.18; OFFICE PEEPS INC Eng. Copier Contract - Toner Usage \$130.05; OVERDRIVE Magazine Subscription \$2,000.00; PLAYAWAY PRODUCTS INC Books \$274.95; PROSTROLLO AUTO PLAZA CO Vehicle Maint. Check Engine Light \$165.80; RAMKOTA HOTEL & CONF CENTER - PIERRE Lodging – R. Minnaert \$122.00; RUNNINGS SUPPLY INC Batteries \$37.96; RURAL ELECTRIC SUPPLY COOP Transformers \$61,727.47; SD MUNICIPAL LEAGUE SDML Annual Conference Registration - R. Lindsay \$150.00; STURDEVANTS MADISON INC Air/Oil Filters \$1,901.45; TIMMER SUPPLY CO Parts \$37.40; USA BLUE BOOK Water Sample Kits \$110.31; UTILISMART CORPORATION Utility Data/Device Manager and SmartMAP \$1,881.83; WARNE CHEMICAL & EQUIPMENT CO Strainer \$56.16; WESCO DISTRIBUTION INC Materials \$4,992.00; WILLIAMS AND COMPANY P.C. 2024 Financial Audit \$7,296.21.

Payroll Bills for Ratification – November 21, 2025

BQ & Associates PC, LLO \$118.11; Health Pool of South Dakota \$53,801.83; IRS-EFTPS \$68,264.79; Office-Child Support Enforce \$668.30; SD Retirement System \$36,173.32; SD Retirement System \$10,504.00.

Motion by Commissioner Dybdahl, seconded by Commissioner Buresh to Table Item – Resolution No. 2025-27 – Electric Rates 2026. Motion carried unanimously. In 2024, the Commission reviewed a 5-year plan for electric rates with estimated yearly increases of 9%, 8%, 5%, 3%, and 3%, based on recommendations from DGR. Due to the completion of the 2022 and 2023 Financial Audits providing updated financial information, DGR is recommending an increase of only 5% for 2026, instead of 8%. The Commission would like to discuss the proposal further with DGR before approving the 2026 Electric Rates.

Motion by Commissioner Buresh, seconded by Commissioner Dybdahl to Approve Resolution No. 2025-28 – Water & Sewer Rates 2026 Updated. This rate resolution does not have any increases to base or usage rates, but it does add the surcharge for the Egan Avenue project. The additional surcharges are \$4.30 for Sewer and \$4.00 for Water. Motion by Commissioner Dybdahl, seconded by Commissioner Wolff to Amend Resolution No. 2025-28 – Water & Sewer Rates 2026 to reflect the correct total under User Charges, section (a). The correct total for the Fixed Fee per Month – Residential is \$32.25, not \$53.25. Motion to amend carried unanimously. Motion to Approve Resolution No. 2025-28 – Water & Sewer Rates 2026, as amended, carried unanimously.

Motion by Commissioner Wolff, seconded by Commissioner Dybdahl to Approve Resolution No. 2025-29 – Solid Waste Rates 2026. Motion carried unanimously. Garbage service will increase by \$2.00 per cart, which is necessary to ensure sufficient revenue to cover solid waste expenses.

Motion by Commissioner Buresh, seconded by Commissioner Dybdahl to Authorize Finance Officer to Sign Basin Deposit Account Control Agreement for PPA Provision. Motion passed (3-0) with Chair Wire abstaining. Following the approval of the City's agreement with Basin Electric at the last meeting for the use of our Generation Plant, this agreement is necessary to provide performance assurance until the 2024 Financial Audit is complete. The agreement states that the City will maintain a balance of \$500,000 in an account that Basin may draw upon in the case of default.

Motion by Commissioner Dybdahl, seconded by Commissioner Buresh to Approve Change Order No. 2 – Armory Gymnasium Floor – FLR Sanders, Inc. Motion carried unanimously. This change order pertains to the final adjustment of quantities on the finished floor, resulting in a decrease of \$7,750. This brings the final contract price to \$156,942.93.

Motion by Commissioner Wolff, seconded by Commissioner Dybdahl to Approve Change Order No. 4 – Madison Water System Improvement Segment 4 – Metro Construction. Motion carried unanimously. This change order pertains to the final adjustment of quantities on the water loop by the Industrial Park, resulting in a decrease of \$4,715.20. This brings the final contract price to \$868,264.09.

Jameson Berreth presented the monthly City updates.

Chair Wire announced the following:

- Board Opening: Community Center Advisory Committee – 1 three-year term ending in December 2028
- Next City Commission Work Session – Monday, December 8, 2025 at 12:00 PM
- Next Regular Commission Meeting – Monday, December 15, 2025 at 5:30 PM

Motion by Commissioner Dybdahl, seconded by Commissioner Buresh to enter into Executive Session at 6:07 PM pursuant to SDCL 1-25-2(3) – Consulting with legal counsel or reviewing communications from legal counsel about proposed or pending litigation or contractual matters; and pursuant to SDCL 1-25-2(4) – Preparing for contract negotiations or negotiating with employees or employee representatives. Motion carried unanimously.

Motion by Commissioner Dybdahl, seconded by Commissioner Buresh to declare the Commission out of Executive Session at 7:03 PM.

Motion by Commissioner Dybdahl, seconded by Commissioner Wolff to Adjourn at 7:04 PM.

/s/Amy L Sad
Finance Officer

**CITY OF MADISON
BOARD OF COMMISSIONERS PROCEEDINGS
MADISON, SD 57042**

December 8, 2025
Work Session

The Board of Commissioners of the City of Madison met in work session at 12:00 PM on the 8th day of December with the following members present upon roll call: Commissioners Kelly Dybdahl, Jenny Wolff, Jerae Wire (presiding as Chair), and Daniel Buresh. Mayor Roy Lindsay was absent.

The Pledge of Allegiance was recited.

Motion by Commissioner Dybdahl, seconded by Commissioner Buresh to adopt the December 8, 2025 agenda. Motion carried unanimously.

Amy Sad provided an update on Finance Operations – Progress & Strategic Direction. Cole Thielbar provided an overview of the Digital Budget Book, which was recently added to the City’s website.

Tess Nelson was present to give an OATI AMI Update.

Jed Blom provided an Information Technology and Cybersecurity Update.

Chair Wire announced the following:

- Next Regular Commission Meeting – Monday, December 15, 2025 at 5:30 PM

Motion by Commissioner Wolff, seconded by Commissioner Dybdahl to Adjourn at 12:50 PM. Motion carried unanimously.

/s/Amy L Sad
Finance Officer

CITY OF MADISON
PERSONNEL
December 2025

NAME	EFFECTIVE DATE	PRESENT STATUS	RECOMMENDED STATUS	PRESENT RATE/SALARY	RECOMMENDED RATE/SALARY	POSITION
STEUERWALD, CHASE	12/10/2025	FT	FT	\$23.93	\$25.14	DISTRIBUTION & COLLECTION OPERATOR I



2026 License Renewals
Retail (on-sale) Liquor
Package (off-sale) Liquor
Convention Center (on-sale) Liquor
Retail (on-off sale) Wine & Cider

OWNER NAME	BUSINESS NAME	ADDRESS
Stadium Sports Grill Madison Inc	Stadium Sports Grill Madison	203 N Egan Ave

INDEPENDENT CONTRACTOR AGREEMENT

This Agreement is entered into as of the 5th day of January, 2026, between The City of Madison, South Dakota (the "City") and Ellie Wills ("the Contractor"), of Madison, SD.

1. **Independent Contractor.** Subject to the terms and conditions of this Agreement, the City hereby engages the Contractor as an independent contractor to perform the services of Animal Control and the Contractor hereby accepts such engagement.
2. **Duties, Term, and Compensation.** The Contractor's duties shall be as set forth in the attached as Exhibit "A", which may be amended in writing from time to time or supplemented with subsequent estimates for services to be rendered by the Contractor and agreed to by the City, and which collectively are hereby incorporated by reference. This engagement shall commence upon execution of this Agreement and shall continue in full force effective January 5, 2026. Compensation for the services required and provided for herein will be \$1000 per month flat fee. Contractor is responsible for finding a substitute to render the services contemplated herein.
3. **Expenses.** Contractor shall be responsible for recording expenses incurred in performance of this Agreement and shall submit the same to City within 5 business days of incurring the same for reimbursement. City will reimburse Contractor within 30 days of submission. No expenses exceeding \$50.00 should be incurred by Contractor before discussing the same with City.
4. **Written Reports.** The City may request written reports of incidents or progress and Contractor will prepare and provide the same within 5 business days of the City's request.
5. **Confidentiality.** The Contractor acknowledges that during the engagement he/she will have access to and become acquainted with various trade secrets, inventions, innovations, processes, information, records and specifications owned or licensed by the City and/or used by the City in connection with the operation of its business including, without limitation, the City's business and product processes, methods, customer lists, accounts and procedures. The Contractor agrees that he/she will not disclose any of the aforesaid, directly or indirectly, or use any of them in any manner, either during the term of this Agreement or at any time thereafter, except as required in the course of this engagement with the City.
6. **Conflicts of Interest.** The Contractor represents that he/she is free to enter into this Agreement, and that this engagement does not violate the terms of any agreement between the Contractor and any third party. During the term of this agreement, the Contractor shall devote as much productive time, energy and abilities to the performance of his/her duties hereunder as is necessary to perform the required duties in a timely and productive manner. The Contractor is expressly free to perform services for other parties while performing services for the City.
7. **Termination.** The City or Independent Contractor may terminate this Agreement at any time by 10 calendar days' written notice to the Contractor. In addition, if the Contractor is convicted of any crime or offense, fails or refuses to comply with the written policies or reasonable directive of the City, is guilty of serious misconduct in connection with performance hereunder, or materially breaches provisions of this Agreement, the City may terminate this Agreement immediately.

8. **Independent Contractor.** This Agreement shall not render the Contractor an employee, partner, agent of, or joint ventures with the City for any purpose. The Contractor is and will remain an independent contractor in his relationship to the city. The City shall not be responsible for withholding taxes with respect to the Contractor's compensation hereunder. The Contractor shall have no claim against the City hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, retirement, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind.

9. **Choice of Law.** The laws of the state of South Dakota shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties hereto.

10. **Headings.** Section headings are not to be considered a part of this Agreement and are not intended to be a full and accurate description of the contents hereof.

11. **Waiver.** Waiver by one party hereto of breach of any provision of this Agreement by the other shall not operate or be construed as a continuing waiver.

12. **Assignment.** The Contractor shall not assign any of his/her rights under this Agreement, or delegate the performance of any of his duties hereunder, without the prior written consent of the City.

13. **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties hereto.

14. **Unenforceability of Provisions.** If any provision of this Agreement, or any portion thereof, is held to be invalid and unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year first written above. The parties hereto agree that scans and electronic signatures shall be as effective as if originals.

CITY OF MADISON, SOUTH DAKOTA

By: _____
Its: _____ [title or position]

Independent Contractor

Attest: _____
Title: _____
Date: _____

Exhibit A
Duties and Responsibilities

1. Feed Animals daily. Kittens and Puppies typically require twice-daily feeding.
2. Clean kennels and outside runs daily. This will require shoveling of the outside dog runs when we get snow.
 - A. Cleaning kennels with detergent and water if dogs are in them daily.
 - B. Mop the floors once a week or as needed.
3. Make sure that supplies are stocked. If you run low, you will be responsible for notifying the Chief of Police or the Administrative Assistant so they can replenish the supplies.
 - a. Supplies will be bought at Running or Lewis by the city as needed.
4. All cats should get typical for fleas and worms when you first have contact with them. Dogs should get the same if needed.
5. Give medicine to animals as needed.
6. Almost Home will make appointments and transport animals to the vet when needed.
7. The city will be responsible for changing furnace filters every 3-4 months.
 - a. The city will be responsible for outside snow removal at the front door and overhead door.
 - b. The city will be responsible for general building maintenance. If something needs to be addressed, you must notify the city promptly.
 - c. The city will maintain the heating and cooling for the building as needed.

Date: 1/5/2026

Host Agency Application

The National Indian Council on Aging, Inc. partners with public and private host agencies to provide paid community service training for participants who meet the federally established requirements of the Senior Community Service Employment Program (SCSEP). SCSEP job seekers help community service agencies fulfill their agency missions while these job seekers are being trained to increase their skills and employability. SCSEP services are offered to unemployed persons who are at least 55 years of age; selection priority is given to eligible applicants with barriers to employment. Although our target population is American Indian, NICOA SCSEP serves all eligible persons.

Name of Agency: City of Madison - Madison Public Library

Address: 209 E. Center Street

City Madison State SD Zip 57042 County Lake

Phone # 605-256-7525 Fax # _____ Email lisa.martin@cityofmadisonsd.com

Agency hours of operation M - Th 9am - 8pm & F - Sa 9am - 5pm

Agency Director's Name Lisa Martin

Agency Contact Name (if different than above) _____

Type of Agency:

☐ Federal Government ☐ Tribal Government ☐ State Government ☒ County or Municipal Government

☐ Non-profit organization that is tax-exempt under §501(c)(3) of the Internal Revenue Code of 1954 - **If your agency is a 501(c)(3) federally tax-exempt organization, please attach a copy of your 501(c)(3) designation letter from the U.S. Department of the Treasury.**

Funding Sources: (Please check all that apply)

Federal funds: _____ State funds: _____ Local Funds: X Private funds: _____

Fiscal Year:

The agency's fiscal year is from: _____ to _____

Agency FEIN # 46-6000272

1. What is your organization's primary purpose?

Public resource for education.

2. What are the main types of employment/jobs in the organization?

Librarian and Library assistant.

3. Are there services that you would like to expand or services/positions that could be helped with one or more trainee assistants?

Library assistant - assist in preparing library materials for programming and books.

4. What types of skills do you look for in your employees?

Ability to listen and follow directions. Ability to interact with the public politely and helpfully.

5. About how frequently do you have job position openings?

About once a year.

6. Type of training your agency can possibly provide (please check all that apply):

Office:

- ☒ Filing
- ☐ General Office
- ☐ Receptionist
- ☐ Microsoft Office
- ☐ Basic Data Entry
- ☐ 10 Key Computation
- ☐ Tele-Marketing
- ☐ Supervision/Management
- ☐ Accounts Payable/Receivable

Warehouse:

- ☐ Receiving
- ☐ Fork Lift
- ☐ Inventory
- ☐ Loading/Unloading
- ☐ Delivery/Transportation

Retail or Sales:

- ☐ Sales & Stocking
- ☒ Processing or Donations
- ☐ Cashiering
- ☒ Customer Service
- ☐ Hospitality

Food Service:

- ☐ Cook /Prep
- ☐ Dishwasher
- ☐ Buss Person
- ☐ Banquet/Setup & Clean up
- ☐ Servers

General Labor:

- ☐ Maintenance
- ☒ Janitorial
- ☐ Landscaping

Health Care:

- ☐ Medical Records/Filing/Insurance
- ☐ Nurse Aide
- ☐ Home Health Care
- ☐ Adult Day Care
- ☐ Health Education/Outreach

Community Service:

- ☐ Intake worker
- ☐ Info and Referral
- ☐ Substance Abuse
- ☐ Transportation
- ☐ Job Developer

Education

- ☐ Tutor/teacher Assistant
- ☐ Head Start
- ☐ Library Assistant
- ☐ Child Day Care
- ☐ Fitness/Yoga

Other:

- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____

7. If you have more than one location from which you provide service or an address that is different from the address of your headquarters provided on the previous page, please provide the addresses of your office (s):

Street Address	City	State	Zip Code	Phone#

This form is for application purposes only and does not promise that a job seeker will be placed at your organization for training. The assignment of job seekers is solely based on the training needs of the individual job seeker. If accepted for job seeker placement, it is recognized that all individuals and agencies have the right to terminate their relationship with NICOA for any reason and at any time given a 30 day notice; NICOA reserves the same right. The NICOA SCSEP is funded through a grant from the US Department of Labor-Employment and Training Administration. Authorization for SCSEP is from the Older Americans Act Title V.

THANK YOU FOR YOUR INTEREST IN NICOA SCSEP!

Please Return Form to:

SecureSD: Cybersecurity for Municipalities and Counties

General Information about SecureSD



Mike Waldner, Director of SecureSD

<https://madlabs.dsu.edu/SecureSD/>

Acknowledge and Thank Our Partners

- AG Division of Consumer Protection, Jody Gillaspie
- Dakota State University, VP Dr. Ashley Podhradsky
- CISA, Jim Edman, Cybersecurity Coordinator
 - Cyber Security and Infrastructure Security Agency





Advisory Council Members

- **State Agencies**
 - OAG, Consumer Protection, Jody Gillaspie
 - Secretary of State, Monae Johnson
- **Dakota State University**
 - VP Research and Economic Development, Dr. Ashley Podhradsky,
 - CTO, DSU, Brent Van Aartsen, Director
 - SecureSD, Mike Waldner
- **Law Enforcement**
 - SD Sheriffs Association, Staci Ackerman
 - McPherson Co. Sheriff, Dave Ackerman
- **Statewide Cybersecurity Industries**
 - SBS CyberSecurity, Chad Knutson
 - Golden West, Eric Eisenbraun
 - Servos, Pat Snow
- **Counties and Municipalities**
 - South Dakota Association of County Commissioners, Eric Erickson
 - Minnehaha County, Monte Watembach
 - City of Pierre/Hughes County, Craig Waldron
 - City of Sioux Falls, McKenzie Hermanson
 - Executive Director, South Dakota Association of County Commissioners, Kris Jacobson
 - Lawrence County, Greg Dias
 - Brown County, Pat Wolberg
 - South Dakota Municipal League, Sara Rankin
 - South Dakota Association of Rural Water Systems, Jeremiah Corbin
- **Federal Cybersecurity**
 - Cybersecurity and Infrastructure Security Agency (CISA), Jim Edman



Why SecureSD?

- Local governments are among the highest-value targets
 - Critical infrastructure (Water/Electric/etc.) and public services (Licenses, Public Safety, etc.)
 - Highly sensitive citizen data
- Funded through 2024 SB187
 - (<https://sdlegislature.gov/Session/Bill/24622>)

“Criminals” don’t ask for permission & they scan networks regularly

We are in a race with bad actors that are tenacious and constantly
on the lookout for new exploits

SecureSD is funding improvements to cybersecurity



SecureSD: Program Goals



The SecureSD program will enhance the cybersecurity of municipalities, counties, and local governments across South Dakota by providing various services.

This program is designed to be a partnership
Entities (Cities/Counties/Municipalities), IT Vendors/MSPs, CISA, DSU, OAG

We will need an investment with a demonstrated buy-in of time and resources especially as this will be a continuous effort for everyone involved.

Solutions Provided

1. Secure Email Solution

- Utilize the SecureSD government licensed secure email solution

2. Security Enhancement & Mitigation

- Remove/reduce/mitigate/fix (if possible) any vulnerabilities found during assessments
- Specialized cybersecurity related solutions per entity
 - Purchase technology (hardware or software) to phase out legacy software and systems, migrate to .gov domain name, review existing firewall configurations, review existing email systems

3. Cybersecurity Training & Planning

- Cybersecurity Training/Education for Employees (The Human Firewall)
- “Cybersecurity specific” Incident Response Planning Workshop
 - Assist cities/counties with building their Incident Response Plans in real-time

SecureSD:

Requirements to receive funding

- Fill out the inquiry form - at: <https://madlabs.dsu.edu/securesd/>
 - We need **each** entity (City/County/Municipality) to individually fill out the inquiry form, so that way no one will fall through the cracks. 😊
- **Required Assessments (From our partnerships or equivalent):**
 - Assessments of your current cybersecurity landscape.
(Just like going to the Dr. for an assessment before any prescriptions) 😊
 - **Technical Assessment:** Project Boundary Fence (DSU):
 - <https://madlabs.dsu.edu/digforce/boundary-fence>
 - This assessment is a physical check for vulnerabilities in your network.
 - Remember: These are the good guys just trying to help improve the security of your network!
 - **Strategic Assessment(s):** CISA-Dept. Homeland Security:
 - This assessment is the cyber hygiene, best practices, and baseline status to help improve your entity's overall security.



SecureSD:

Required Record Management

(maintain full transparency)



- **Signed Memo of Understanding (MOU)** between the entity (city/county/municipality) and DSU/SecureSD
 - This establishes the relationship and allows for the funding capabilities.
- **Signed contract** between DSU/SecureSD and the entity's IT Vendor of choice
 - If needed, we can send you a list of IT Vendors we have contracts with.
 - (This is public information)
 - Note: All payments for equipment/software, work hours, etc. will go directly to the IT Vendor – Not the entity.
 - Of course, not without the entity's approval, involvement, and full transparency with everyone.

“Are you a Government Entity?”

“Do you use Email?”

If the answer is yes, your data & email **NEEDS to** be in the government dedicated cloud environment.

It is as simple as that.

- Microsoft 365 Government G3 offers significantly enhanced security, far beyond just having a “.gov” email address.
- **Enhanced Security & Compliance**
 - **Government Community Cloud (GCC) Environment:**
 - US-based data centers
 - **All data** (not just email) is stored **exclusively within the continental U.S.**, ensuring compliance with federal data residency mandates.
 - Only **U.S. citizens with background checks** manage the infrastructure
 - **Compliance with Federal Standards**
 - i.e. HIPPA, CJIS (Criminal Justice Information Services), IRS 1075
 - **Enterprise-Grade Tools with Government-Grade Controls**
 - i.e. eDiscovery and Legal hold compliance

- **Legitimacy & Trust** (*We require entities use a .gov domain*)
 - A **.gov domain** immediately signals credibility and official status to the public and partners.
 - Reduce phishing risks and increases trust in communications, especially for constituents, elected officials and external stakeholders.
- **Same Tools, Elevated Government Level Controls**
 - **Full suite** of Microsoft apps (Outlook, Word, Excel, OneNote, One Drive, MS Teams) with added security layers.
 - Seamless user experience with **minimal retraining required**.

- **Email/Data Environment Tailored for Public Sector Needs**

- Designed specifically for **government workflows**, including secure collaboration across agencies.
- Supports **hybrid work environments** with secure mobile access and remote collaboration tools.

Communications most often never touch the public Internet.

- This Email Solution transition ensures our local government communications [and data such as Word/Excel/SharePoint/etc.] are **secure, compliant, and credible**
 - Aligned with the highest standards of public sector technology.

*It's not just a domain change;
it's a foundational upgrade to how we protect and manage citizen
information we are entrusted with.*

Security Enhancement & Mitigation

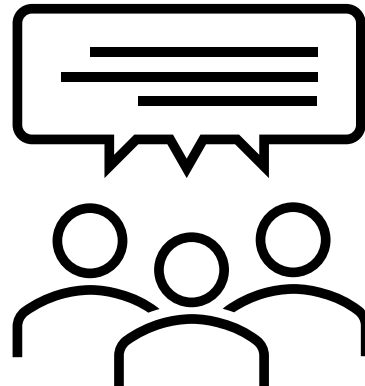
- Remove/reduce/mitigate/fix (if possible) any vulnerabilities **found during assessments**
- Specialized cybersecurity related solutions per entity
 - Firewall Configuration Review – Check the rules and more.
 - Purchase specialized security equipment (If necessary)
 - All ownership/warranty/licenses/equipment/software/etc. will stay as the responsibility of the entity.
 - Migration to .gov domain
 - Specifically reserved for government entities in the United States

Cybersecurity Training & Planning

- Cybersecurity Training/Education
 - Cybersecuring the Human Firewall



- Incident Response Planning and tabletop exercises
- Workshop to assist cities/counties with building their Cybersecurity Incident Response Plans





SecureSD



Q & A

Mike.Waldner@dsu.edu

<https://madlabs.dsu.edu/securesd/>



What is the value in migrating to the SecureSD Secure Email Solution?

Switching to the SecureSD Secure Email Solution offers significantly enhanced security, compliance, and data control tailored for U.S. government entities. This goes far beyond just having the “.gov” email address. The first question we all have to ask is “Are you a Government Entity?” Second question is “Do you use Email?” If the answer is yes, your email (and other data) **NEEDS** to be in the government dedicated cloud environment. You owe it to your citizens.... It is as simple as that.

“Are you a Government Entity?”

If the answer is **yes**, your email **NEEDS** to be in the government dedicated cloud environment.

It is as simple as that.

Multiple cybersecurity reports continue to confirm that **email remains the #1 threat vector**, with compelling data to back it up (just do a Google or an AI search on it). One report says, “email is not just a communication tool – it’s a battleground.” Why is email such a big cybersecurity threat vector? Low cost and high reach as attackers can send millions of emails with minimal effort, needing only a very small percentage of those million emails to be compromised to be worthwhile. Human vulnerability is another big factor, especially here in South Dakota as what appears to be a valid message exploits trust, urgency, or curiosity which before you know it you are compromised. From a technical standpoint, these malicious emails can bypass other technical defenses such as firewalls, antivirus tools and even sophisticated phishing spam filters.

So, what are the key benefits and protections of the SecureSD Email Solution? First is Enhanced Security & Compliance. Your data is stored in the Government Community Cloud (GCC) Environment that operates in a dedicated cloud infrastructure built exclusively for U.S. federal, state, local, and tribal governments and their contractors. This means your data is stored and processed in U.S.-based (only) data centers with access restricted to screened U.S. personnel. All data—including email, files (such as word docs, budget spreadsheets, citizen data), and Teams content—is stored exclusively within the continental U.S., ensuring compliance with federal data residency mandates. Mandates our police departments and Sheriff’s offices are well area of, such as CJIS (Criminal Justice Information Services) compliance requirements. Only U.S. citizens with background checks manage the infrastructure, reducing insider threat risks or nation state actors having access to your information.



SecureSD: Cybersecurity for Municipalities and Counties

Value of the SecureSD Secure Email Solution



Orig Date: 11/24/25 Revision Date: 12/1/25

It helps your technical team with tools such as Advanced Threat Protection (ATP), Multi-factor Authentication (MFA), eDiscovery, legal hold, and audit logging capabilities to name a few.

While all this technical cybersecurity is happening, the user experience remains consistent with standard Microsoft 365 tools (with added security layers) most of us are already using with no retraining needed. The system also fully supports hybrid work environments with secure mobile access and remote collaboration tools.

A migration to the SecureSD Email Solution demonstrates a strategic platform upgrade designed specifically to keep all communications secure, compliant, and credible, while being aligned with the highest standards of public sector technology. Most importantly, it **shows your citizens you are doing your part to secure their information** as part of South Dakota's ongoing commitment to cybersecurity, compliance, and public trust in communications.

RESOLUTION NO. 2025-27

A RESOLUTION SETTING MONTHLY RATES AND CHARGES FOR ELECTRIC SERVICE

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the following rates, charges, and regulations for municipal electric service are hereby adopted.

SECTION 1 – Base Rate and Surcharge

Electric rates shall consist of two components: a base rate and a separate surcharge for the benefit of improvements to the electric utility system. The City shall account for the revenues derived from the base rate and the surcharge separately, but the surcharge shall not be required to be shown separately on the electric utility bills to users of the electric utility. The revenue generated from the surcharge shall be used solely for improvements and any bonds incurred by the City to finance or refinance the improvements.

Improvements may also be paid for from the general revenues of the electric utility as approved by the annual budget.

SECTION 2 – Customer Classes and Rates

Monthly usage by each customer, based on meter readings, shall be charged as to the below rate schedules:

(a)	Residential and Church Rates	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
	1. Monthly Service Charge	\$ 24.21	\$ 0.00	\$ 24.21
	2. Plus Energy Charge (per KWH)	<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
	0 - 1000 KWH	\$ 0.112	\$ 0.01	\$ 0.122
	Over 1000 KWH	\$ 0.088	\$ 0.01	\$ 0.098

3. Minimum Charge per Month per Service: \$24.21.

4. Residential Customer Classification

The residential rates set forth above shall be applicable to single phase alternating current electrical service at standard City voltages for residential and church uses within the City limits when all electrical service furnished under the above schedule is measured by one meter. The above rates shall not apply to shared or resale service. The residential rates shall be available to individually metered single family dwellings, individual mobile home units or to each dwelling unit of apartment houses, condominiums, or other multiple family dwelling units. A

dwelling unit shall be defined as follows: "One or more rooms located in a dwelling that are used as living quarters for one family only. Each dwelling unit contains one and only one set of kitchen facilities." Any property located in a residential zone of the City which conducts a home occupation as defined in the City zoning ordinance shall be considered residential for the purpose of this electric rate ordinance.

(b) Commercial Rates		<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
1. Monthly Service Charge		\$ 28.84	\$ 0.00	\$ 28.84
2. Plus Energy Charge (per KWH)		<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
0 - 2000 KWH		\$0.152	\$0.01	\$ 0.162
Over 2000 KWH		\$ 0.096	\$ 0.01	\$ 0.106
3. Minimum Charge per Month per Service: \$28.84.				

4. Commercial Customer Classification

The commercial rates set forth above shall be available to all eligible commercial customers residing within the City limits and shall be applicable to single phase service or three phase power service only if said three phase power service demand does not exceed fifty kilowatts integrated over a thirty-minute time interval two or more times within the preceding calendar year. In addition, the commercial rates shall be applicable to multiple family dwellings, apartment houses, and mobile home courts where the respective dwelling units are not individually metered but rather metered at a central location.

(c) Industrial Rates		<u>Base Rate</u>	<u>Surcharge</u>	<u>Total</u>
1. Monthly Service Charge		\$ 30.11	\$ 0.00	\$ 30.11
2. Plus Demand Charge (per KW)		\$ 16.79	\$ 0.00	\$ 16.79
KW levels will be determined by calculating the higher of the actual KW peak or 50% of the highest KW peak within the last twelve months.				
3. Plus Energy Charge (per KWH)		\$ 0.046	\$ 0.01	\$ 0.056

4. Plus Power Factor Charge

If metered reading averages less than ninety-five percent (95%) at the point of delivery for the month, the metered demand will be increased by multiplying the metered demand by ninety-five percent (95%) and thereafter dividing by the average power factor reading expressed in percent as illustrated in the following formula:

If power factor is less than ninety-five percent (95%), then adjusted billing demand
= $\frac{\text{demand} * 95\%}{\text{power factor \%}}$
otherwise, demand = demand

5. Minimum Charge per Month per Service: \$30.11.

6. Industrial Customer Classification

The industrial rates set forth above shall be available to all industrial customers residing within the City limits and shall be applicable when the customer's monthly peak power demand exceeds fifty kilowatts integrated over a thirty-minute time interval two or more times within the preceding calendar year. However, a customer in the industrial class who does not reach sixty-five kilowatts two times within the preceding calendar year may request to be moved to the commercial class with said request to be considered and acted upon by the Mayor, Utilities Commissioner and Utilities Director. Industrial customers that reduce their monthly demand below thirty kilowatts for a three-consecutive month period shall be offered the conversion to the commercial rate. If at any time the customer's demand exceeds the sixty-five-kilowatt demand limit criteria they shall be reinstated as an industrial rate account.

Electrical customers residing outside the City limits shall be identified and classified by the Utilities Director as either residential, commercial, or industrial customers as defined above. Said customer's electrical utility bill shall be subjected to a twenty percent (20%) surcharge in addition to the bill as determined in the respective customer classification.

Electrical energy supplied to various schools will be charged at the rate as determined in the respective customer classification.

Electrical energy supplied to various City buildings and facilities shall be charged and paid for by the respective City departments at the rate as determined in the respective customer classification.

SECTION 3 – Security Lighting

Monthly charges for each lamp of Security Lighting shall be charged as follows:

(a)	100W or Equivalent LED	\$ 9.09
(b)	250W or Equivalent LED	\$ 14.65
(c)	400W or Equivalent LED	\$ 18.18

SECTION 4 – Load Management Credits

Monthly credits to customers for electric load management participation shall be as follows:

- (a) **Water Heater Credit**
All customers with an actively used and operable electric water heater who participate in the City's load management program will be eligible for a \$.01000 per KWH credit on the electric bill on a twelve-month basis for that portion of electrical energy usage per month between 50 KWH and 800 KWH with a maximum eligible monthly credit of \$7.50 per dwelling unit.
- (b) **Air Conditioner Credit**
All customers with an actively used and operable 220-volt air conditioner who participate in the City's load management program will be eligible for a \$.02500 per KWH credit on the electric bill for the months of July, August, and September for that portion of electrical energy usage per month between 300 KWH and 1200 KWH with a maximum eligible monthly credit of \$22.50 per dwelling unit.
- (c) **Electric Heat Credit**
All customers with a minimum 4 KW electrical heating system (baseboard, furnace, blowers, etc.) that is actively used and operable who participate in the City's load management program for partial/cycling control will be eligible for a \$.02500 per KWH credit on the electric bill for the months of December, January, and February for that portion of electrical energy usage per month between 300 KWH and 1200 KWH with a maximum eligible monthly credit of \$22.50 per dwelling unit.
- (d) **Off-Peak Usage Rates**
All customers shall be offered a discounted rate of \$.05283 per KWH for electrical energy usage for that energy provided to approved dual fuel heating system customers and other specific commercial or industrial loads that can be interrupted at the convenience of the City without advance notice to said customer. Said electrical energy usage will be metered on a separate meter. Upon application and agreement for the off-peak usage rate, the Utilities Director will authorize the installation of an additional meter to monitor the off-peak energy usage.

SECTION 5 – Effective Date

Rates, charges, and credits as defined under this resolution shall be reflected on the usage starting January 1, 2026.

Dated this 1st day of December 2025.

CITY OF MADISON

Mayor

ATTEST: _____
Finance Officer

ORDINANCE NO. 1684

AN ORDINANCE TO AMEND APPROPRIATION ORDINANCE NO. 1672 FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2025 AND ENDING DECEMBER 31, 2025

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

Section I:

That the following sums are appropriately supplemented to meet the obligations of the municipality:

101	General Fund		
	4145	Information Technology	\$ 39,107.20
	4192	General Government Building	\$ 376,509.64
	4211	Police	\$ 32,568.65
	4221	Fire	\$ 27,244.76
	4311	Highway & Streets	\$ 94,585.39
	4315	Storm Drainage	\$ 43,270.79
	4561	Armory	\$ 198,559.96
	4653	Community Contribution	\$ 3,232,069.90
	4700	Debt Service	\$ 627,073.19
603	Electric Fund		
	4342	Transmission & Distribution	<u>\$ 2,924,273.83</u>
Total Appropriations			\$ 7,595,263.31

Section II:

That the following sources of funding necessary to supplement the obligations set forth in Section I shall be derived from:

518	City Hall		
	4197	City Hall	\$ 141,183.05
101	General Fund		
	22700	Unreserved / Undesignated Fund	\$ 1,297,736.53
	3300	Intergovernmental Revenue	\$ 3,232,069.90
603	Electric Fund		
	3900	Debt Issued	<u>\$ 2,924,273.83</u>
Total Means of Finance			\$ 7,595,263.31

Dated this 5th day of January, 2026.

CITY OF MADISON

Mayor

ATTEST: _____
Finance Officer

RESOLUTION NO. 2025-30

A RESOLUTION TO DECLARE THE NECESSITY FOR SIDEWALK REPAIR IMPROVEMENT 2026

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the City hereby declares the necessity of repairing and reconstructing sidewalks within the City of Madison located in front of and abutting upon the following described properties as noted below:

1. Lot Four (4) of the plat of Lots Three (3), Four (4) and Five (5), Amert's Third Addition to Madison, Lake County, South Dakota; approximately 46 square feet; 2 instances
2. Lot One (1) and the North Half (N1/2) of Lot Two(2) in Block Six (6) of Kennedy's Subdivision of Blocks Four (4), Five (5) and Six (6) and the North Half (N1/2) of Block Seven (7) of Kennedy's Second Extension of Madison, Lake County, SD; approximately 23 square feet; 1 instance
3. Lots One (1) and Two (2), Block Seven (7), Kennedy's Subdivision of Blocks Four (4), Five (5), Six (6) and North 1/2 Block Seven (7), Kennedy's Second Extension of Madison, Lake County, South Dakota; approximately 23 square feet; 1 instance
4. The South Half of the Northeast Quarter (S1/2NE1/4) of Block Five (5) of Kennedy's Extension of Madison, Lake County, South Dakota; approximately 23 square feet; 1 instance
5. The West 50 Feet of the South 95 Feet of the SE 1/4 of Block 6 of Kennedy's Extension of Madison, Lake County, South Dakota; approximately 47 square feet; 1 instance
6. Lot 11 of Block 27 of the Plat of C.B. Kennedy's Subdivision of Blocks 26 and 27 of Kennedy's 2nd Extension of Madison, Lake County, South Dakota; approximately 629 square feet; 1 instance
7. Lot Fourteen (14) in Block Seventeen (17) of Kennedy's Subdivision of Blocks Fifteen (15). Sixteen (16) and Seventeen (17), in Kennedy's 2nd Extension of Madison, Lake County, South Dakota; approximately 70 square feet; 1 instance
8. Lot Five (5) and the South 31.5 feet of Lot Six (6) and the West One-Half (W1/2) of the vacated alley lying adjacent thereto in Block Five (5) of Kennedy's Subdivision of Blocks Four (4), Five (5) and Six (6) and the North One-Half (N1/2) of Block Seven (7) of Kennedy's Second Extension of Madison, Lake County, SD; approximately 23 square feet; 1 instance
9. The West Fourteen Feet (W14') of Lot Eight (8) and all of Lot Nine (9) and the East Six Feet (E6') of Lot Ten (10) in Block Sixteen (16) of Kennedy's 2nd Extension to Madison, Lake County, South Dakota; approximately 23 square feet; 1 instance
10. The East Half (E1/2), EXCEPT the North 144.5 Feet thereof, in Block Twenty-Five (25) of Kennedy's Second extension to Madison, Lake County, South Dakota; approximately 47 square feet; 1 instance
11. The South One-Third (S 1/3) of the West Half (W 1/2) EXCEPT the East 7 feet thereof, of Block Twenty Eight (28) in Kennedy's Second Extension of Madison, Lake County, SD; approximately 70 square feet; 2 instances
12. The South Half of the Northeast Quarter (S1/2NE1/4) of Block Four (4) in Kennedy's Extension of Madison, Lake County, SD; approximately 23 square feet; 1 instance

13. The South Half (S1/2) of the Southeast Quarter (SE1/4), Block Four (4), Kennedy's Extension to Madison, Lake County, South Dakota; approximately 23 square feet; 1 instance
14. The West 70 Feet of the Northwest Quarter (NW 1/4) of Block Seven (7) in Kennedy's Extension to Madison, Lake County, South Dakota; approximately 74 square feet; 4 instances
15. The South two thirds (S2/3) of the South one third (S1/3) of the South East (SE) Quarter of Block Seven (7) of Kennedy's Extension of Madison, being the South thirty three & one third feet (33 1/3) of said South East Quarter of Block Seven (7); approximately 93 square feet; 3 instances
16. Lot 1 in St. Thomas Subdivision of the W 1/2 of Block 4 of Kennedy's Extension to Madison, Lake County, South Dakota; approximately 186 square feet; 1 instance
17. The East 95 Feet of Lot One (1) of Subdivision of Block B.C. Kennedy in Kennedy's Second Extension to the City of Madison, Lake County, South Dakota; approximately 23 square feet; 1 instance
18. The West Fifty Feet (W 50') of Lot Nine (9) and the East Eight Feet (E 8') of Lot Ten (10) in Glatz Brothers Subdivision of Lake Park in Kennedy's Extension of Madison, South Dakota; approximately 23 square feet; 1 instance
19. The Northeast One-Third (NE 1/3) of the Northeast Quarter (NE 1/4) of Block Nine (9) of Kennedy's Extension of Madison, Lake County, SD; approximately 256 square feet; 1 instance
20. The North 1/3rd of the Northwest 1/4 of Block Nine (9) of Kennedy's Extension of the City of Madison, Lake County, South Dakota; approximately 47 square feet; 1 instance
21. The South One-Half (S 1/2) of the North Two-Thirds (N 2/3rds) of the Northwest Quarter (NW 1/4) of Block Nine (9) of Kennedy's Extension of Madison, Lake County, South Dakota; approximately 23 square feet; 1 instance
22. Lot Ten (10) EXCEPT the West 14.45 feet and EXCEPT Lot H-1 thereof in Block Three (3) of Town Proprietor's First Addition to Madison, Lake County, SD; approximately 396 square feet; 2 instances
23. Lot Twelve (12), EXCEPT the East 14 feet thereof, and EXCEPT Lot H-1 thereof, and all of Lots Thirteen (13), Fourteen (14) and Fifteen (15) in Block Three (3) of Town Proprietor's First Addition to Madison, Lake County, SD; approximately 70 square feet; 2 instances
24. The East Half (E 1/2) of Lot Four (4) and the East Half (E 1/2) of Lot Five (5) of Block Twelve (12) of Kennedy's Subdivision of Blocks One (1), Two (2), Twelve (12), Thirteen (13) and Fourteen (14) of Kennedy's Second Extension of Madison, Lake County, South Dakota; approximately 23 square feet; 1 instance
25. The South One Hundred Feet (S 100') of Lots Five (5) and Six (6) of Kennedy's Subdivision of Block Thirteen (13) of Kennedy's Second Extension to the City of Madison, Lake County, Sd; approximately 23 square feet; 1 instance
26. Lots One (1), Two (2) and Five (5) in Block Two (2) of H.P. Smith's Addition to Madison, South Dakota; approximately 23 square feet; 1 instance

27. Lot One (1) and the West 20 feet of Normal Street vacated continuous to said Lot One (1), the South 115 feet of Lot Two (2), and the South 115 feet of Lot Three (3), EXCEPT the West 15 feet of said Lot Three (3), all in Block Two (2) of Town Proprietor's First Addition to Madison, South Dakota; approximately 23 square feet; 1 instance
28. The North 62 1/2 feet of the South 125 feet of the East Half (E 1/2) of Block Thirty One (31) of Kenedy's Second Extension of Madison, South Dakota; approximately 93 square feet; 1 instance
29. The South 5 feet of Lot Two (2) and all of Lot Three (3) in Block Eleven (11), of Kennedy's Subdivision of Blocks Eleven (11) and Twelve (12), Kennedy's Extension to Madison, Lake County, South Dakota; approximately 23 square feet; 1 instance
30. Lot Seven (7) and the North Half (N 1/2) of Lot Eight (8) in Block Eleven (11) of Kennedy's Subdivision of Block Eleven (11) and Twelve (12) in Kennedy's Extension of Madison, Lake County, South Dakota; approximately 117 square feet; 1 instance
31. Lots Four (4) and Five (5) of Lowes Resubdivision of Part of Block Twelve (12), Kennedy's Extension, and Lot Eleven (11) of Block Twelve (12) of Kennedy's Subdivision of Block Eleven (11) and Twelve (12) of Kennedy's Extension of Madison, Lake County, South Dakota; approximately 70 square feet; 1 instance
32. The Southwest Quarter (SW 1/4) of Block One (1) of Kennedy's Extension to Madison, South Dakota; approximately 33 square feet; 2 instances
33. The North One-Third (N 1/3) of the East One-Half (E 1/2) of Block One (1), Kennedy's Extension of Madison; approximately 23 square feet; 1 instance
34. Sate Normal School Grounds as shown on Kennedy's end Ext of Plat Book 1 Page 5; approximately 50 square feet; 2 instances

The City of Madison endeavored to notify the owners of the above-described lots and parcels of land of required sidewalk repairs by a desired deadline of November 1, 2026. Because the sidewalks were not repaired by the owners or occupants of said lots or parcels of land by the desired deadline, the City of Madison will cause the same to be reconstructed or repaired and the cost thereof assessed upon the abutting lots or parcels of land. The reconstruction or repair of the sidewalk shall also include a) the repair or reconstruction of thickened edge sidewalk adjacent to street surfacing; b) the filling of any voids beneath and/or adjacent to sidewalk; the repair of any structures beneath and/or adjacent to sidewalk; and similar such repairs and/or replacements associated with sidewalk reconstruction or repair as directed by the City Engineer. The owners of lots set forth above shall repair sidewalk at their own expense on or before August 21, 2026. Notice of the requirement to repair and deadline for repairing is hereby provided pursuant to SDCL 21-10-6 by provision of this resolution and appurtenant correspondence.

The general nature of the construction and materials to be used are as follows:

- a. Sidewalks shall be 4 feet 8 inches in width and run the entire length of the real property. Sidewalk dimensions for repair may be greater than the aforementioned width as determined by the City Engineer.
- b. Concrete shall be a minimum of 4 inches thick and shall include aggregate customarily used in this locale for concrete that will be exposed to the elements.
- c. A gravel base course with a minimum depth of two inches shall be used.
- d. Location and grade shall be approved by the Office of the City Engineer.

Exempt from the requirement to construct sidewalk are those areas which presently have asphalt pavement marked and striped with paint or other approved materials where sidewalk would normally be located where said areas are actually designated as so herein described and where said areas are in a condition equal to the condition standards required for sidewalk.

If such sidewalk is not reconstructed or repaired in the manner and within the time prescribed hereinabove, then, pursuant to SDCL 21-10-6 the City of Madison, by this Resolution, shall cause the work to be done and the cost thereof to be assessed against the lots affronting or abutting upon the sidewalks constructed, reconstructed or repaired as provided in SDCL 9-46-2 and subsequent sections.

All work to be constructed by licensed contractors in accordance with standard City of Madison specifications which are on file and can be reviewed at the Office of City Engineer.

A copy of the resolution will be recorded at the Register of Deeds Office, Lake County, SD as a notice to all potential or actual future landowners, of present or future assessment payments on said property.

Dated this 5th day of January, 2026.

CITY OF MADISON

Mayor

ATTEST: _____
Finance Officer

PROPOSED RESOLUTION NO. 2025-31

A RESOLUTION TO DECLARE THE NECESSITY FOR SIDEWALK IMPROVEMENT 2026

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the City hereby declares the necessity of constructing sidewalks within the City of Madison located adjacent to the following streets as noted in Exhibit A with the projected locations being as follows: -

A. Project 1 – N Catherine Avenue from NW 2nd Street to NW 8th Street:

1. Lot One (1) EXCEPT Lot H-1 thereof, in Block Three (3) of Henkin's Second Addition to Madison, Lake County, SD; 96 linear feet of 4 inch sidewalk; estimated costs \$4,597.15
2. Lot Four (4) in Block Two (2) of Henkin's Second Addition to Madison, South Dakota; 98 linear feet of 4 inch sidewalk; estimated costs \$4,682.75
3. Lot Six (6) in Block Thirty-three (33) of Smith and Trow's Summit Addition to Madison; 65 linear feet of 4 inch sidewalk; estimated costs \$3,090.14
4. Lot Seven (7) in Block Thirty Three (33), Smith and Trow's Summit Addition to Madison, Lake County, SD; 50 linear feet of 4 inch sidewalk; estimated costs \$2,377.03
5. Lot Nine (9) in Block Thirty Three (33) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 50 linear feet of 4 inch sidewalk; estimated costs \$2,377.03
6. The West Half (W 1/2) of Lot Eight (8) and all of Lot Nine (9) in Block Thirty-two (32) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 143 linear feet of 4 inch sidewalk; estimated costs \$6,798.31
7. The South Half (S 1/2) of Lot Five (5) and all of Lot Six (6) in Block Thirty Five (35) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
8. Lot Four (4) and North One-Half (N 1/2) of Lot Five (5) in Block Thirty Five (35) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
9. The South Half (S 1/2) of Lot two (2) and all of Lot Three (3) in Block Thirty Five (35) of Smith and Trow's Summit Addition to the City of Madison, Lake County, South Dakota; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
10. Lot One (1) and the North One-Half (N 1/2) of Lot Two (2), Block Thirty-Five (35), Smith & Trow's Summit Addition to Madison; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
11. Lots Ten (10) and Eleven (11) in Block Thirty Two (32) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 143 linear feet of 4 inch sidewalk; estimated costs \$6,798.31
12. The South Half (S 1/2) of the East Half (E 1/2) of Lot Five (5), and the East Half (E 1/2) of Lot Six (6) in Block Thirty-six (36), Smith & Trow's Summit Addition to Madison, Lake County, South Dakota; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55

13. Lots Eight (8) and Nine (9), Block Thirty-one (31), Smith & Trow's Summit Addition to Madison, Lake County, South Dakota; 143 linear feet of 4 inch sidewalk; estimated costs \$6,798.31
14. The South Half (S 1/2) of Lot Two (2) and all of Lot Three (3) in Block Thirty Six (36) of Smith and Trow's Summit Addition to Madison, Lake County, SD; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
15. Lot 1 and the North Half (N 1/2) of Lot 2 in Block 36 of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
16. Lots Four (4), Five (5), and Six (6), Block Thirty-Seven (37) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 150 linear feet of 4 inch sidewalk; estimated costs \$7,131.09
17. The West half (W 1/2) of Lot Eight (8) and all of Lot Nine (9) in Block Thirty (30) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 143 linear feet of 4 inch sidewalk; estimated costs \$6,798.31
18. The South One-half (S 1/2) of Lot Two (2) and all of Lot Three (3) in Block Thirty-seven (37) of Smith and Trow's Summit Addition to the City of Madison, County of Lake, State of South Dakota; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
19. Lot Four (4) and the North Half (N 1/2) of Lot Five (5) in the Northwestern Subdivision of Block Thirty Eight (38) of Smith and Trow's Summit Addition to Madison, Lake County, SD; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
20. The North 68 feet of Lot Seven (7) and the North 68 feet of Lot Eight (8) and the North 68 feet of Lot Nine (9) and the South Half (S 1/2) of the Vacated Alley adjoining said lots on the North, all in Block Twenty Nine (29) of Smith and Trow's Summit Addition to Madison, South Dakota; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
21. The South 68 feet of Lots Ten (10), Eleven (11) and Twelve (12) and the North Half (N 1/2) of the Vacated Alley lying adjacent to said lots on the South, all in Block Twenty Nine (29) of Smith and Trow's Summit Addition to Madison, Lake County, SD; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
22. The South Half (S 1/2) of Lot Two (2) and all of Lot Three (3) of Northwestern Subdivision of Block Thirty Eight (38) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
23. Lot One (1) and the North Half (N 1/2) of Lot 2 of Northwester Subdivision of Block Thirty Eight (38) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
24. The West 64 feet of the South 150 feet of Block Twenty Eight (28) of Smith and Trow's Summit Addition to Madison, Lake County, SD; 150 linear feet of 4 inch sidewalk; estimated costs \$7,131.09
25. The North 90 feet of the South 240 feet of the West 164 feet and the South 80 feet of the North 160 feet of the West 164 feet, all in Block Twenty Eight (28) of Smith and Trow's Summit Addition to Madison, Lake County, SD; 170 linear feet of 4 inch sidewalk; estimated cost \$8,081.90
26. The North Half (N 1/2), except the West One Hundred Sixty Feet (W160') thereof, of Block Thirty-nine (39) of Smith and Trow's Summit Addition to Madison; 200 linear feet of 4 inch sidewalk; estimated costs \$9,508.12

B. Project 2 – N Olive Avenue from NW 2nd Street to NW 9th Street

1. Lot Two (2) in Block Thirty Three (33) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 50 linear feet of 4 inch sidewalk; estimated costs \$2,377.03
2. Lot One (1) in Block Thirty-Three (33) of Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 50 linear feet of 4 inch sidewalk; estimated costs \$2,377.03
3. The East One-Half (E 1/2) of Lot Four (4), the East One-Half (E 1/2) of Lot Five (5) and the East One-Half (E 1/2) of Lot Six (6) in Block Thirty-Two (32) of Smith and Trow's Summit Addition to Madison; 150 linear feet of 4 inch sidewalk; estimated costs \$7,131.09
4. The West 40 feet of Lot Eight (8) and all of Lot Nine(9) in Block Twenty One (21) of Smith and Trow's Summit Addition to Madison, Lake County, SD; 143 linear feet of 4 inch sidewalk; estimated costs \$6,798.31
5. Lot Three (3) in Block Thirty Two (32) of Smith and Trow's Summit Addition to Madison, Lake County, SD; 50 linear feet of 4 inch sidewalk; estimated costs \$2,377.03
6. THE WEST HALF OF LOT 8 AND ALL OF LOT 9 IN BLOCK 22 OF SMITH AND TROW'S SUMMIT ADDITION TO MADISON, LAKE COUNTY, SOUTH DAKOTA; 143 linear feet of 4 inch sidewalk; estimated costs \$6,798.31
7. Lot Ten (10) and the West Half (W 1/2) of Lot Eleven (11), Block Twenty Two (22) in Smith and Trow's Summit Addition to Madison, South Dakota; 143 linear feet of 4 inch sidewalk; estimated costs \$6,798.31
8. Lots Two (2) and Three (3) in Block Thirty (30) of Smith and Trow's Summit Addition to Madison, Lake County, SD; 100 linear feet of 4 inch sidewalk; estimated cost \$4,754.06
9. Lot Four (4) and the North half (N 1/2) of Lot Five (5) in Block Twenty Nine (29) of Smith and Trow's Summit Addition to Madison, Lake County, SD; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55
10. The South Half (S 1/2) of Lot Two (2) and all of Lot Three (3), Block Twenty Nine (29), Smith and Trow's Summit Addition to Madison, Lake County, South Dakota; 75 linear feet of 4 inch sidewalk; estimated costs \$3,565.55

C. Project 3 – N Kansas Avenue from NW 2nd Street to NW 6th Street

1. The West Half (W 1/2) of Lot Eight (8) and all of Lot Nine (9) in Block Thirty Five (35) in Smith and Trow's Summit Addition to Madison, Lake County, SD. According to the recorded plat thereof, together with the South Half (S 1/2) of the vacated alley lying adjacent to the North of said lots; 143 linear feet of 4 inch sidewalk; estimated costs \$6,798.31
2. Lot Five (5), except the North 15' thereof, and all of Lot Six (6), in Block Forty Three (43) of Smith and Trow's Summit Addition to Madison, South Dakota; 85 linear feet of 4 inch sidewalk; estimated costs \$4,040.95

- D. The owners of lots set forth in projects one (1) – three (3) above shall construct sidewalk at their own expense on or before August 21, 2026. The City Commission may extend the deadline for installation of the sidewalk in the event a construction project, including sidewalk, is being undertaken during 2026.
- E. The general nature of the construction and materials to be used are as follows:
1. Sidewalks shall be 4 feet 8 inches in width and run the entire length of the real property.
 2. Concrete shall be a minimum of 4 inches thick and shall include aggregate customarily used in this locale for concrete that will be exposed to the elements.
 3. A gravel-based course with a minimum depth of 2 inches shall be used.
 4. Location and grade shall be approved by the Engineers Office.
- F. The estimated costs per linear foot for 4 inch sidewalk is \$47.54 and for 6 inch sidewalk is \$53.94.
- G. The class of lots to be assessed vary and may include each zoning district. Each lot shall benefit by having pedestrian access adjacent thereto. The assessed costs shall be apportioned at the respective linear footage length of 4 foot 8 inch wide sidewalk constructed adjacent to each lot.
- H. All work to be constructed by licensed contractors in accordance with standard City of Madison specifications and details which are on file and can be reviewed during regular business hours at the Engineers Office. Plans may be reviewed during regular business hours at the Engineers office.
- I. Exempt from the requirement to construct sidewalk are those areas which presently have sidewalk or have asphalt pavement in the areas where sidewalk will be required. Said asphalt pavement may remain provided it is marked and striped with paint or other approved material as a designated walkway and where said areas are in a condition equal to the condition standards required for sidewalk.
- J. The improvements for each affected real property may not be substantially uniform due to the need for retaining walls or other improvements/additional requirements necessary on some properties. The City shall be responsible for these additional costs if approval is given to the property owner in writing from the City Engineer prior to commencement of improvement.
- K. If a retaining wall is determined necessary by the City Engineer, the City shall pay for the initial construction of all retaining walls. Construction shall not commence until approval of the specifications, plans, details and a minimum of two (2) bids are obtained from the Office of City Engineer. Reimbursement to the landowner of the wall shall be upon satisfactory completion of the retaining wall. No reimbursement for retaining wall construction shall be made unless, prior to construction, the specifications, plans, materials and bids are approved by the City Engineer. The City shall be responsible for the cost of installation of retaining walls if satisfactorily completed.
- L. Upon completion of construction the improvements shall become the responsibility of the landowner.
- M. If such sidewalk is not constructed in the manner and within the time prescribed hereinabove, then, pursuant to South Dakota Codified Law (SDCL) 9-46-4 the City of Madison, hereby this Resolution, shall cause the work to be done and the cost thereof to be assessed against the real property adjoining or abutting upon the sidewalks constructed as provided in SDCL 9-46-4.1.
- N. For any assessments ultimately becoming due, payments shall be payable under Plan One, as provided for in SDCL 9-43-102.
- O. The above-described improvement shall be herein referred to as Sidewalk Improvement 2026 which shall be deemed a description of the improvement as herein set forth.

Dated this 5th day of January, 2026.

CITY OF MADISON

Mayor

ATTEST: _____
Finance Officer

AGREEMENT BY AND BETWEEN
TEAMSTERS LOCAL UNION NO. 120
AFFILIATED WITH
THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS
and
THE CITY OF MADISON
(CITY EMPLOYEES BARGAINING UNIT)
For the period of January 1, 2026 - December 31, 2028



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AGREEMENT

THIS AGREEMENT (hereinafter referred to as “Agreement” or “Contract”) made and entered into this ____ day of _____ 2025 by and between the City of Madison, South Dakota, hereinafter referred to as the “Employer” or the “City” and the Teamsters Local Union No. 120, affiliated with the International Brotherhood of Teamsters, hereinafter referred to as the “Union”.

ARTICLE 1 RECOGNITION

The Employer hereby recognizes the Union as the sole collective bargaining representative pursuant to SDCL 3-18, for all the employees employed by the Employer in the following described unit:

All regular full-time Employees employed by the City of Madison in the following Departments, to-wit: Streets, Parks, Solid Waste, and Recycling; Water Distribution and Sewer Collection; Water Treatment; and any regular full-time Custodians within any Department, excluding all other City Employees and all Department Heads.

As used in this Contract, where appropriate, the masculine includes the feminine, and the singular includes the plural (and vice versa).

ARTICLE 2 SEPARABILITY AND SAVING CLAUSE

If any provision of this Agreement is in contravention of the laws or regulations of the United States or the State of South Dakota, such provisions shall be superseded by the appropriate provisions of such law or regulation; so long as the same is in force and effect, but all other provisions of this Agreement shall continue in force and effect.

ARTICLE 3 NON-DISCRIMINATION

The Employer and the Union agree not to discriminate against any individual with respect to hiring, compensation, terms or conditions of employment because of such individual’s race, color, religion, sex, age, handicap, or national origin, nor will they limit, segregate, or classify employees in any way to deprive any individual employee of employment opportunities because of his race, color, religion, sex, age, handicap or national origin.

It is the policy of the City and the Union to prohibit discrimination and harassment. Employees should refer to the City Policy on Discrimination and Harassment.

ARTICLE 4 MANAGEMENT RIGHTS

The customary functions of the management for the carrying on of the business and operation are recognized and vested exclusively in the Employer. Such customary rights include the control and regulation of usages of its machinery, equipment, and other property; the determination of the number, location and continuance of use of its plants and offices; the subletting of work; the direction and control

of its work force as to size and composition and assignment of employees; to make all changes, rules, policies, and practices; to hire, promote, retire, demote, transfer, layoff and recall employees to work; to determine the work schedules as to hours and shifts to be worked; to reprimand, suspend, discharge or otherwise discipline employees for just cause and otherwise generally manage and direct the work force and establish terms and conditions of employment.

Such right and power shall not be exercised arbitrarily or unfairly to any employee and shall not be exercised so as to violate any provision of this Agreement. No rule, procedure or practice of the management shall be contrary to any provision of this Agreement.

ARTICLE 5

COMMITTEE FOR UNION - MANAGEMENT COOPERATION

The parties recognize that during the period in which this Agreement is in effect, problems of administration of this Agreement may arise which are not anticipated by either party. They also recognize that during such period more mutually constructive and productive relationships are likely to exist between the City and the Union and among the management and non-management employees, if both the City and the Union continue to enlarge their respective efforts to gain a better appreciation and understanding of each other's problems and objectives. They recognize that frequently what first appears to be problems or areas of conflict and disagreements are actually the result of misunderstanding which are cleared away upon a complete and frank exchange of viewpoints and ideas. They believe that even though limitations are being placed upon formal collective bargaining negotiations through the extended period of this Agreement, a better atmosphere in which they both desire, can be created through meetings of the kind described below:

As needed, meetings may be held during the term of this Agreement of the committee formed as part of this Article. It is understood that such meetings will be held for the purpose of appraising and discussing the problems, if any, which arise concerning administration, interpretation or application of the Agreement or other matters which either party believes will contribute to the improvement in the relations between them within the framework of this Agreement. It is understood that such meetings shall not be for the purpose of handling grievances or conducting collective bargaining negotiations nor for any purpose which in any way will modify, add to, or detract from the provisions of this Agreement. In agreeing to such meetings, the parties are providing concrete evidence of their sincere desire to encourage friendly, cooperative relationships between all employees covered by this Agreement and to find ways to overcome difficulties, influences, or attitudes which interfere with such relationships.

Meetings shall be limited to one (1) hour per pay period unless otherwise mutually agreed to.

This committee shall also consider handling problems concerning the safety of working conditions. Each of the parties recognize the importance of protecting the health, life, and limb of employees and the City will make every reasonable effort to improve conditions that promote health and safety among City employees. This committee may make recommendations respecting conditions which in its opinion would make working conditions safer.

The committee shall be composed of two (2) members designated by the Union and two (2) members designated by the City. Any recommendations must be adopted by a majority of the committee.

ARTICLE 6

UNION REPRESENTATION AND BUSINESS

Section 1: Stewards

The City recognizes the right of the Union to designate stewards. The job stewards so designated shall perform the following duties:

- (1) Investigation and presentation of grievances to Employer or the Employer Representative in accordance with the provisions of this Agreement;
- (2) Serve bargaining unit employees by explaining the purpose and content of an existing Contract. The City shall direct such inquiries by bargaining unit employees to job steward(s).

The stewards shall be permitted a reasonable time, not to exceed one (1) hour per pay period, as time permits, to conduct necessary Union business of presenting, processing and investigating grievances, during working hours without loss of pay, provided that it does not interfere with the efficient operation of the department, which determination shall be in the discretion of the Head of the Department, and provided that the department head is advised in advance of the absence. Such time on such necessary Union business during duty hours shall not be deducted in the computation of by-weekly overtime.

Section 2: Union Business and Meetings

The Employer agrees to grant the necessary time off, without discrimination and without pay, to Union officers and stewards to attend a labor convention, and to any one person the necessary time off, without discrimination and without pay, to serve up to one (1) year in any official Union business. Fifteen (15) calendar days written notice of such absence will be given by the Union to the Employer.

Upon receiving forty-eight (48) hours' notice, the City shall excuse all employees in the bargaining unit, to attend Union meetings, provided that during the term of the Contract, such Union meetings shall not exceed four (4) with each having a maximum duration of two (2) hours. All employees attending such Union meetings shall be available to handle calls in the same manner as are handled during meetings called by the City. Off duty employees attending such meetings shall do so on their own time. The City agrees to provide a private place for such meetings so as to have easy access to those employees on duty.

Section 3: Business Agents

Authorized agents of the Union, upon receiving permission from the supervisor, shall have reasonable access to the City's establishment and be permitted to visit and converse with employees during regular on-duty hours for the purpose of adjusting disputes, investigating working conditions, and ascertaining that the Agreement is being adhered to; provided, however, that there is no significant effect on the City's responsibilities toward the general public.

Section 4: Bulletin Boards

The Employer agrees to allow the Union to send Union business notices to employees' work emails.

ARTICLE 7 CHECK OFF

Effective March 1, 1990, the Employer agrees that upon receiving written authorization by the employee from the Union, the Employer will deduct all dues, initiation fees and assessments designated by the Local Union. Such deductions shall be remitted by the Employer to the Local Union at a time mutually agreed to between the City and the Union.

An employee desiring to revoke his/her check off authorization shall be allowed to do so by giving written notice to the City and the Union between sixty (60) and seventy-five (75) days prior to the expiration date of the Contract. Upon receiving proper and timely written notice revoking the check off authorization, the employee's dues shall be stopped on the last day of the Contract.

ARTICLE 8 GRIEVANCE PROCEDURE

A grievance is defined as any dispute involving the application or alleged violation of any provision of City policy, or work activity, or dispute involving the interpretation of a Union Agreement with the City that cannot be satisfactorily resolved as a result of a discussion between the aggrieved employee and his/her immediate supervisor.

Section 1: An employee shall reduce in writing and submit to his department head the grievance within ten (10) calendar days following the day on which the grievance occurred or when the employee should have had reasonable knowledge of the occurrence. The written grievance shall contain a statement of the facts, the revision or provisions of the Agreement or working condition of employment which the employee believes may be a basis for corrective action by the aggrieved employee or Union Representative. An employee may have the Local Union Steward and/or the Local Business Representative present at the time of discussion with the Employer, who in the first instance shall be his/her department head. All grievances shall be answered in writing within ten (10) calendar days of the receipt of the grievance.

Section 2: Should the parties fail to agree upon a satisfactory disposition of the grievance, the matter may be referred within ten (10) calendar days by the employee to a conference between the Union and the City Administrator and Human Resources Director. A written answer to the grievance shall be submitted within ten (10) calendar days of the conference. An employee shall be allowed to be present at all steps of the grievance procedure.

Section 3: In the event the grievance is not resolved under the procedures of Section 2, the employee may request, in writing, a hearing with the City Commission within ten (10) calendar days of the decision being received by the employee under Section 2. The Commission at its next regular scheduled meeting, in executive session shall set the hearing date. The hearing shall be scheduled within the following two (2) weeks and be conducted in an executive session under procedure to be established by the commission and submitted to the Union.

Section 4: Any grievance not resolved as a result of the hearing described in Section 3 may be referred, by either party, to the Department of Labor Management pursuant to SDCL 3-18-5.2. The appeal must be initiated within thirty (30) calendar days following notification of the decision by the City Commission. No grievance shall be entertained or processed unless it is submitted in accordance herewith. Failure of either party to abide by the time limits set forth in this procedure shall mean that the grievance is resolved according to the remedy sought or deemed not to exist.

Section 5: Any time limits under any section may be extended by mutual written agreement by the City and the Employee or the Union.

Section 6: This system is intended to protect the employee and give them a means of appeal in matters of importance. For example: A discharge of an employee for what is felt by him/her to be a lack of just cause.

Section 7: At any time the employee or Union may dismiss or drop a grievance. The dismissal of the grievance shall not be viewed as precedent for a grievance on identical topic matter of another employee.

ARTICLE 9 EMPLOYEE CLASSIFICATION

For the purpose of employee classification, the following definitions shall apply:

- A) Employee in Training: A person who is hired to fill a job position will be classified as a probationary employee for the first one thousand forty (1040) hours of employment.
- B) Regular Employee: A person who has completed the one thousand forty (1040) hours probationary period, and who has, at the end of the period, been rated satisfactory by the supervisor, will be classified as a regular employee.
- C) Temporary/Part-time Employee: A person whose employment is fixed at the time of employment not to exceed one thousand forty (1040) hours of work in the twelve (12) month period following the person's date of hire or any subsequent twelve (12) month period. The one thousand forty (1,040) hours may be extended by written mutual agreement of both parties.

ARTICLE 10 SENIORITY

Skills, ability, qualifications, and job performance being relatively equal, seniority rights for employees shall prevail.

Seniority shall be defined as the total length of continuous service with the Employer since the last date of hire with the City of Madison as a regular full-time employee. Department seniority shall govern promotions, transfers, layoff, and recall. The City shall provide a seniority list to the Union upon request.

In the event of a layoff, the last employee hired in each affected Department shall be laid off first as long as the employees retained are qualified to perform the job. In recalling employees, they shall be recalled in reverse order of lay-off in respective departments. Full-time employees shall not be laid off if part-time employees are working.

Seniority and employment relationship shall terminate when an employee:

- (1) Quits;
- (2) Retires;
- (3) Is discharged by just cause.

ARTICLE 11 PROMOTIONS AND TRANSFERS

Section 1: Filling vacancies. Whenever possible, new and vacant positions will be filled from within the City by promoting qualified employees in accordance with the following:

- (1) Job openings within the bargaining unit shall be posted internally on City bulletin boards for three (3) working days. Employees covered under the Teamster Contract will be given priority over employees from other Departments not covered under the Teamster Contract for promotion to a position covered under the Teamster Contract.
- (2) Promotions/transfers shall be made on the basis of skills, ability, qualifications, and job performance. If skills, ability, qualifications, and job performance are relatively equal, then seniority shall be the determining factor.
- (3) If after the three-day internal posting, there are no internal applicants or it is determined that any internal applicants lack the necessary skills, ability, qualifications, or job performance, the City may advertise the opening externally.

Section 2: Employee Trial Period. During the training period the employee will be granted a trial period to determine:

- (1) Ability to perform the job.
- (2) Desire to remain on that job.

The trial period will be fifteen (15) workdays for the Water Treatment Department and ten (10) workdays for all other departments. During the trial period an employee may elect to revert back to his/her previous position at the rate of pay the employee was receiving when he/she left the position, without penalty or prejudice. If the City determines the employee cannot meet the requirements of the job following the conclusion of the trial period, the employee shall revert back to his/her previous position at the rate of pay the employee was receiving when he/she left the position, without penalty or prejudice.

The employee may elect to sign a waiver at any time during the trial period to waive any remaining time in the trial period and stay in the new position. If the employee continues to serve in the new position at the end of the trial period, the employee shall continue to serve the remainder of the six-month training period.

ARTICLE 12 DISCHARGE OR SUSPENSION

The Employer shall not discharge, suspend, or discipline any employee without just cause.

All City employees are responsible for carrying out City Policy for the good of the City and its citizens. When disciplinary action is necessary, it is the responsibility of the supervisor to initiate, administrate and carry through the proper action.

The causes for which an employee may receive progressive disciplinary action include the following but not limited to:

- (1) Incompetence or inefficiency;
- (2) Violation of safety rules;

- (3) Disregard for authority and willful failure to obey lawful orders;
- (4) Deceit or falsification of records;
- (5) Disclosure of confidential information;
- (6) Theft or other acts of turpitude tending to discredit the City;
- (7) Use of or under the influence of intoxicating liquor or drugs on the job or in or on City property;
- (8) Abuse of sick leave privilege;
- (9) Continued tardiness;
- (10) Any action which is detrimental to the efficiency or effectiveness of the operation of the City;
- (11) Any action which is detrimental to or discredits the City;
- (12) Any action which threatens the safety and security of the City Employees or the general public;
- (13) A violation of a departmental rule or procedure.

Whenever the City determines the disciplinary action is to be imposed upon an employee, Steps 1 - 5 will be followed when appropriate, however a department head may at his or her discretion choose any level of discipline provided it is commensurate with the severity of the action. Any reprimand or discipline will be given in writing to the employee affected.

- (1) For first offense, depending upon severity, a verbal reprimand or written reprimand;
- (2) For second offense, depending upon severity, a written reprimand or up to or including suspension without pay or demotion;
- (3) For third offense, depending upon severity of the offense, up to or including suspension without pay, demotion or discharge;
- (4) No reprimand shall be needed to discharge an employee for being under the influence of alcohol or drugs while on duty (subject to the City's work rules relating to chemical dependency on drugs and alcohol), theft or other acts of moral turpitude or in any other manner converting Employer's property, disregard for authority and willful failure to obey lawful orders, assaulting a City Officer, Supervisor or Employee on the premises of any conduct which threatens the safety and security of City Employees or the general public;
- (5) Reprimands will not be used against an employee after twenty-four (24) months from the date of the offense, as long as there are no repeated or other violations during that time. However, serious misconduct (such as theft, violence, harassment, or other major violations) may be used for future disciplinary decisions at any time. All disciplinary actions will remain in the employee's personnel file permanently, even if they are no longer active for discipline purposes.

ARTICLE 13 CITIZEN'S COMPLAINT

When a citizen makes a formal complaint against an employee, which such complaint might become a part of that employee's official record, such complaint shall be reduced to writing after a

complete investigation has determined there may be possible merit or substance to the same. Such written complaint shall be delivered to the employee.

ARTICLE 14 VACATIONS

Vacation leave for all eligible employees for each vacation year is based upon length of service. Until such time vacations are bid, vacations will be granted on a first come first serve basis.

Full-time employees of the City of Madison shall accrue vacation according to the following schedule:

Date of Hire through Year 5	80 hours per year (≈3.08 hours per pay period)
Year 6 through Year 13	120 hours per year (≈4.62 hours per pay period)
Year 14 through Year 25	160 hours per year (≈6.15 hours per pay period)
Year 26 and thereafter	200 hours per year (≈7.69 hours per pay period)

Employees have the opportunity to use vacation leave in one fourth (1/4) hour increments upon request of the employee.

The maximum number of hours of vacation that an employee may accumulate shall be limited to an amount equal to two times the employee's current annual accrual rate. Accrued hours are not transferable and cannot be taken in lieu of compensation. In the event of injury, sickness, or an emergency working condition the City may, on an individual basis, extend the maximum.

Employees will be allowed to accumulate an extra forty (40) hours of vacation leave during their retirement year only. For purposes of this Article, "retirement year" is defined as the twelve (12) months prior to retirement. The employee must provide written notification to the City of intended retirement date prior to accumulating the extra hours.

Employees granted unpaid leave of absence in excess of one-half month will not accrue any leave for that month.

Request for vacation leave must be approved by the employee's department head prior to that time of departure and vacation will be paid at the employee's regular hourly rate. Leave requests shall not exceed the amount of leave accumulated unless there is a waiver granted by the department head. Vacation leave will normally be granted at the time requested by the employee, unless operational necessity requires full staff.

Employees who are laid off or discharged, who resign or retire after giving two (2) weeks' notice to the City, or who are called to military service, shall receive payment of such vacation time as is due them, computed on a pro rata basis according to the time worked during the current vacation year. Cash payments in place of vacation privileges are not permitted.

Employees may not use vacation leave during their final two (2) weeks after providing notice of resignation or retirement unless the Department Head provides written approval.

Vacation leave can be taken during foul and dangerous weather, travel during which, is hazardous or not recommended by local authorities. This leave will be granted with the approval of the department head.

Employees requesting vacation leave shall be notified that their request has been granted or denied in a timely manner.

ARTICLE 15 HOLIDAYS

It is the policy of the City of Madison to afford all regular full-time employees twelve (12) paid holidays each year. The City recognizes the following holidays:

- | | |
|--------------------------------|-------------------------|
| (1) New Year's Day | (8) Labor Day |
| (2) Martin Luther King Jr. Day | (9) Native American Day |
| (3) Presidents Day | (10) Veteran's Day |
| (4) Good Friday | (11) Thanksgiving Day |
| (5) Memorial Day | (12) Christmas Eve |
| (6) Juneteenth | (13) Christmas Day |
| (7) Independence Day | |

"Holiday pay" shall be defined as eight (8) times the straight time hourly rate.

Employees who are scheduled to work the holiday will be compensated for holiday pay and eight (8) hours of premium pay at time and one-half (1 ½).

Employees called out on Thanksgiving Day or Christmas Day shall receive holiday pay and in addition be paid at two (2) times their hourly rate of pay.

Employees on vacation during a holiday will receive holiday pay or an additional day off at the employee's discretion.

Holidays shall be observed on the day of observance. If a holiday falls on Saturday, Friday will be observed. If on Sunday, Monday will be observed. If December 24th falls on a Saturday or Sunday, the preceding Friday shall be considered the holiday.

If an employee in water or wastewater treatment is scheduled to work a holiday and that holiday falls on a Saturday or Sunday, the employee scheduled to work will observe the holiday on the actual day. The employee will be paid holiday pay on the actual holiday, not the day other departments may observe.

ARTICLE 16 SICK LEAVE

The City policy with reference to sick leave is as follows:

- (1) Training period and regular employees will receive sick leave credits at the rate of one-half (1/2) day per pay period (twenty-six (26) pay periods per year) or thirteen (13) days per year. In the event of illness an employee will receive eight (8) hours of regular pay for each regular workday he/she is absent from work to the extent of his/her earned sick leave credit.
- (2) Temporary employees do not receive any sick leave credits.
- (3) Employees shall be charged for sick leave only for absence on days when they would otherwise work and receive pay.

- (4) Holiday hours and sick leave hours paid for but not worked in excess of one (1) full pay period shall not be used for the purpose of computing any sick leave.
- (5) Sick leave shall be granted to employees:
 - (A) When they are incapacitated for the performance of their duties due to illness, injury or pregnancy and confinement.
 - (B) For medical, dental or optical examination or treatment.
 - (C) When a member of the immediate family or the employee is afflicted with an illness and requires the care and attendance of the employee. Immediate family is defined as per Article 29, Section 1 of this Agreement.
 - (D) When, through exposure to illness, the presence of the employee at his/her post of duty would jeopardize the health of others.
- (6) The Human Resources Department or the employee's department supervisor may require a doctor's certification to establish the employee's illness or injury.
- (7) When an employee's sick leave extends beyond three (3) work days, the City may require a doctor's certification clearing the employee for a return to work.
- (8) An employee who is unable to work because of illness is expected to notify his/her supervisor as soon as possible.
- (9) Employees are expected to employ the sick leave provisions only in the event of actual illness.
- (10) Abuse of the privilege by an employee and deliberate deceit in connection with the use of this privilege will result in discharge of the employee.
- (11) Procedures for utilizing sick leave shall be as follows:
 - (A) When an employee is ill and unable to work, he/she shall call his/her supervisor.
 - (B) The number of hours of sick leave will be noted on the employee's time sheet and charged against his/her accumulated sick leave by the Human Resources Department.
 - (C) An employee who abuses the sick leave privilege may expect disciplinary action pursuant to City policy.
- (12) Twenty-five percent (25%) of base wage for accrued sick leave will be reimbursed to employee upon resignation for all employees hired prior to January 1, 2005. All employees hired after January 1, 2005 shall be paid twenty-five percent (25%) up to a total of four hundred eighty (480) hours.

ARTICLE 17

SPECIAL LEAVE

Leave with pay - The department head will grant a leave of absence with pay to regular full-time employees for the following reasons and with these restrictions applied:

- (1) Funeral Leave
 - a. A paid funeral leave of three (3) days will be granted to any probationary or permanent employee to attend the funeral of a member of his/her family. A member of his/her family shall be interpreted to mean husband, wife, son, daughter, father, mother, brother, sister,

grandmother, grandfather, stepfather, stepmother, stepson, stepdaughter, and stepsiblings. The above determination of family members includes that of the employee and spouse. If additional days are needed, two (2) days may be charged to sick leave and additional days thereafter charged to vacation.

- b. In the event of a funeral of an aunt, uncle, niece, or nephew, an employee may take two (2) days off with pay to be charged to sick leave. If additional days are needed, these days may be charged to vacation.
 - c. Two (2) additional days shall be granted for travel when the funeral occurs at least two hundred (200) miles away one way, provided the same is approved by the City. In the event of a funeral of a relative defined under subsection (a), the two days will be additional funeral leave days. In the event of a funeral of a relative defined under subsection (b), the two days will be charged to sick leave.
- (2) Voting – Any employee eligible to vote at any election held within the State of South Dakota shall, on the day of such election, be granted time to go to the polls if his/her duties on that day would otherwise prevent him/her from voting before or after regular working hours.
- (3) Jury or Court – If any employee is called for jury duty, he/she shall continue to be paid at his/her regular rate. Upon returning to work, he/she shall reimburse the City for the amount received for jury duty for each day to accrue for the time that is spent on jury duty.
- (4) Military Leave – Regular full-time employees serving in the Military Reserve, S.D. Army National Guard, Air National Guard, or Naval Militia, will be granted leave of absence when they are called out for active service. Employees shall be given five (5) paid days of leave for purpose of military training or active service. Any additional leave of absence shall be unpaid. However, there will be no loss of seniority, and employees may utilize vacation leave.
- (5) Personal Leave – Full-time employees will receive 24 hours of personal leave to be used throughout the calendar year with supervisor's approval to ensure adequate staffing for the department. Hours are made available on January 1st of each year, are not paid out upon separation, and cannot be carried over to the following year. Employees lose any hours not used by the last day of the final pay period of the year.
- (6) Family Medical Leave – The Family and Medical Leave Act of 1993 (FMLA) guarantees the right of eligible employees to take up to a total of twelve (12) weeks of leave per year as defined by the Federal Law and City Policy. The City of Madison intends to comply fully with the FMLA. Employees are referred to their copy of the City Policy Manual for a complete outline of the FMLA detailing the guidelines of the City policy.

ARTICLE 18

PENSIONS

Section 1: Retirement benefits shall remain as provided by South Dakota Law, but they shall not be in any manner reduced or lessened during the period of this Contract, unless the changes are beyond the control of the City.

Section 2: It is the intent of the City and the Union to provide the Special Pay Plan for its employees. SDRS provides a special pay plan for all eligible employees. The City will follow the SDRS rules and policies where it relates to the Special Pay Plan. For more information, please see the City Policy.

Section 3: Employees may elect to participate in the SDRS Supplemental Plan. For every \$1.00 contributed by the employee, the City will contribute \$1.00 up to a maximum employer contribution of \$27.00 per pay period. Contributions from employee and employer must follow SDRS Supplemental Plan rules and policies.

Section 4: Upon termination of employment, employees who have served the City five (5) years or more will receive severance pay, one (1) week's pay at the employee's then current pay for each five (5) years of continuous service, or prorated amount thereof.

ARTICLE 19 INSURANCE

The City shall make available a dental, health insurance plan for all full-time employees in the bargaining unit and their dependents electing to be covered by such insurance. The insurance policy is to be similar to what is currently provided or as reasonably close as possible considering coverage and premium. The insurance and dental plans will be as shown in Appendix B.

The City shall continue to pay the premium for the current life insurance benefits.

Insurance coverage shall begin the first due date following the date of hire.

Upon receipt of notification by the insurance carrier that changes are needed, the City will in turn notify the Union for purposes of soliciting comments and suggestions

ARTICLE 20 EMPLOYEE COMMITTEES

In the spirit of working toward a partnership between management and employees, the City has established several employee committees designed to provide opportunities for involvement and contribution on relevant areas of city operations. Employee Committees may provide recommendations to the City Commission as desired, which will be taken into consideration.

The City shall have the sole discretion to form, adjust, and eliminate Employee Committees on relevant areas or topics. The Union will have a minimum of two employees from departments covered under this contract on each Employee Committee.

ARTICLE 21 PAY AND COMPENSATION

Section 1: Pay Periods – All employees covered by this Agreement shall be paid every two (2) weeks.

Section 2: Severance Pay – Upon termination of employment, employees who have served the city for 5 or more years will receive severance pay, 40 hours pay at the employee's current rate of pay for each 5 years of continuous service, or prorated amount thereof. Any employee who is discharged with cause by the city shall not be entitled to receive severance pay.

Section 3: Certification Reimbursement – The City shall reimburse employees for all fees associated with any license or certification required by the City.

Section 4: Wages – Effective with the first payroll of 2026, the grade and step scale will be adjusted by 2.5% plus employees will move one step on the scale (additional 1.5%) providing satisfactory work performance as determined and recommended by their department head.

ARTICLE 22 WORKING HOURS

Section 1: Work Week

Employees shall be paid for all time spent in the employ of the Employer.

The department head shall set the working hours for each employee due to operational needs based on seniority within the job classification.

Employees shall be paid overtime at the rate of time and one half (1 ½) their regular rate of pay for any hours worked in excess of forty (40) hours per week.

At the discretion of the department head employees may be scheduled in advance to work four (4) ten hour shifts within a Monday through Friday workweek for special projects. Within these guidelines, employees shall be paid overtime at the rate of time and one half (1 ½) their regular rate of pay for any hours worked in excess forty (40) hours per week.

The work week shall consist of 40 hours in 5 consecutive days Monday through Friday. The normal workday shall consist of 8 hours between 7 a.m. and 4 p.m. with 1 hour of for lunch. This daily schedule maybe altered by no more than 1 hour for some or all employees, by mutual agreement between the City and the Union. Department Head may modify work hours in cases of emergencies.

Section 2: Break Time

All employees shall be granted a fifteen (15) minute paid break during the first four (4) hours, and a fifteen (15) minute paid break during the second four (4) hours of their shift. If an employee(s) scheduled shift is extended by two and one-half (2 ½) hours or more, an additional fifteen (15) minute paid break will be granted.

Part-time employees shall be permitted two (2) fifteen (15) minute breaks in an eight (8) hour period to be scheduled with the senior supervisor on duty.

Section 3: Stand-By and Weekend Differential

Employees of the water treatment facilities shall be placed on stand-by on a weekly rotating schedule from Friday at 4:00 p.m. until the following Friday at 4:00 p.m. Employees serving under such stand-by week provision shall be compensated fifty dollars (\$50.00) per day for each day on stand-by. Operations consisting of up to one (1) hour of work daily shall be included in the compensated stand-by pay. Employees will be required to respond to any call-in within 20 minutes and will be expected to make necessary accommodations to meet that response time. Failure to adhere will result in disciplinary action.

Additionally, employees of the water treatment facilities shall receive shift differential of \$1.50 per hour on weekends (Saturday and Sunday, 7am to 4pm).

Section 4: Call-In and Hold Over

Employees who are requested to report for work during hours when they are scheduled to be off shall receive either comp time or overtime at one and one-half (1 ½) times the regular rate of pay for a minimum of two (2) hours. This minimum shall not apply to work performed immediately before or immediately after an employee's work shift. However, any employee who due to an emergency is held over their shift or called in prior to their scheduled start time will be paid at one and one-half (1 ½) times their regular rate of pay for all hours worked prior to their start time and anything after their end time. Emergency shall be defined as: "An occurrence which demands immediate action to prevent significant environmental damage or loss of life, health, property, or essential public services."

When needed, street department employees will be placed on call on a weekly rotational schedule. This rotation shall be under the supervision of the street superintendent on a voluntary basis.

When employees are required to work more than 3 hours past their normal quitting time on a regular day or are called into work 2 hours before the start of their regular workday, employees may submit for a meal reimbursement up to the State of South Dakota per diem rate. The employer has the discretion to supply a meal to employees in which case reimbursement will not be available. When emergency conditions require extended or unusual work conditions a lunch shall be provided every four (4) hours worked, a hot meal every eight (8) hours, until released.

ARTICLE 23 COMPENSATION TIME

Employees may request comp time in lieu of pay at one and one-half (1 ½) times their hourly rate of pay. All comp time not used by the end of pay period #24 of each year shall be paid as overtime at the rate of pay it was earned. Comp time may not be accumulated in December.

ARTICLE 24 SAFETY AND EQUIPMENT

The City will furnish safety equipment needed for various jobs to include hard hats, florescent vests, safety goggles, ear plugs, back braces, prescription safety glasses and gloves as designated by the Department Head. Employees will receive prescription safety glasses once every two (2) years unless there is damage to the glasses by performing work for the City. Supervisor must approve additional safety glasses within that two (2) year period. It is required that the employees utilize the equipment when provided. It is recommended that each department head conduct safety meetings once each month.

Employees engaged in jobs that involve the use of chemicals, tar, paint, oil, and substances that may cause deterioration of clothing shall have access to a protective outer garment to be provided by the City.

All employees shall be allowed regularly scheduled immunizations for tetanus, hepatitis and any others needed for job safety and health protection at the expense of the City.

An annual boot/clothing allowance of \$200.00 will be paid each year with payroll #1. Only employees on the payroll on that date will receive the stipend. Employees will be expected to wear and maintain work appropriate boots/clothing.

ARTICLE 25 WORKERS COMPENSATION

Workers Compensation shall be administered in accordance with State guidelines.

Employees qualifying for worker's compensation may use sick leave and/or vacation leave credit to supplement work comp payments up to their average bi-weekly net pay.

ARTICLE 26 MAINTENANCE OF STANDARDS

The Employer agrees that all conditions of employment in the individual operation relating to wages, hours of work, overtime differentials and general working conditions shall be maintained at not less than the standards in effect at the time of the signing of this Agreement, to the extent that the Employer is reasonably able. It is agreed that the provisions of this section shall not apply to inadvertent or bona fide errors made by the Employer or the Union in applying the terms and conditions of this Agreement if such error is corrected within ninety (90) days from the date of error. Any disagreement between the Local Union and employee and the Employer with respect to this matter shall be subject to the grievance procedure.

ARTICLE 27 RE-OPENER

In the event the general city salary increase for those employees not represented by this Contract, excluding management, exceeds the negotiated increase within this Contract for the same year, the City agrees to re-open negotiations within sixty (60) days of the official approval of said increase for the purpose of negotiations on salaries only. However, in the event that any disparity in increases is based on and in accordance with information received in a market study, this language shall be null and void. In addition, this Contract may be reopened for negotiations specific to Appendix A – Grade Scale and Appendix B – Insurance. Either party may request the re-opener prior to August 1st of each contract year.

ARTICLE 28 DURATION

This Agreement shall become effective January 1, 2026 and shall continue in full force and effect to and including December 31, 2028, (the "Term"). This Agreement shall continue in full force and effect for the Term except that from year to year either party hereto may give written notice on or before August 1st of each year during the contract Term that wages shall be opened for yearly negotiation in addition to one change proposed from each party. Any such notice by either party hereto shall not be effective except on or before August 1st of any year. On or before August 1, 2028, the parties shall agree to commence negotiations for a new Term.

Dated this ____ day of _____ 2025.

CITY OF MADISON

Roy Lindsay, Mayor

ATTEST:

Amy Sad, Finance Officer

TEAMSTERS LOCAL UNION NO. 120

President /Principal Officer

James Heeren, Business Agent

APPENDIX A – GRADE SCALE

Teamsters Local 120/City of Madison Contract

OFFICIAL POSITION GRADE ASSIGNMENT

<u>Streets, Parks, Solid Waste & Recycling</u>	<u>Grade</u>
Building Maintenance Operator	16
Administrative Coordinator	16
Mechanic	15
Lead Heavy Equipment Operator	15
Heavy Equipment Operator	14
Solid Waste Operator	13
Lead Park Technician	15
Park Technician	14
 <u>Utilities</u>	 <u>Grade</u>
Lead Distribution & Collection Operator	16
Lead Water & Wastewater Operator	16
Distribution & Collection Operator II	15
Water & Wastewater Operator II	15
Distribution & Collection Operator I	14
Water & Wastewater Operator I	14
Distribution and Collection Operator	13
Water & Wastewater Operator	13

All new job postings subject to this bargaining agreement shall be negotiated between the City and the Union, prior to any such jobs being posted or published.

All employees that are moving a grade will be moved to their current step on the scale. Employees providing satisfactory work performance as determined and recommended by their department supervisor shall move to their next step.

APPENDIX B – INSURANCE

Effective Plan Dates – 1/1/2026 – 12/31/2026

HP 1000 INSURANCE PLAN	Monthly Premium	Per Month		Per Payroll	
		City Benefit	Employee Deduction	City Benefit	Employee Deduction
Single	\$929.94	\$929.94	\$0.00	\$464.97	\$0.00
Employee + One	\$1,679.48	\$1,341.66	\$337.82	\$670.83	\$168.91
Employee + Children	\$1,894.08	\$1,497.62	\$396.46	\$748.81	\$198.23
Family	\$2,156.44	\$1,572.38	\$584.06	\$786.19	\$292.03

HP 2000 INSURANCE PLAN	Monthly Premium	Per Month		Per Payroll	
		City Benefit	Employee Deduction	City Benefit	Employee Deduction
Single	\$882.40	\$882.40	\$0.00	\$441.20	\$0.00
Employee + One	\$1,568.28	\$1,333.04	\$235.24	\$666.52	\$117.62
Employee + Children	\$1,808.28	\$1,537.04	\$271.24	\$768.52	\$135.62
Family	\$2,019.34	\$1,716.44	\$302.90	\$858.22	\$151.45

DENTAL PLANS	Monthly Premium	Per Month	
		City Benefit	Employee Deduction
Single	\$57.80	\$39.26	\$18.54
Employee + Spouse	\$112.92	\$73.02	\$39.90
Employee + Children	\$113.38	\$73.33	\$40.05
Family	\$165.38	\$96.23	\$69.15



2025 Joint Proposal Summary Between City of Madison and Teamsters Local 120

Proposals are for a Collective Bargaining Agreement beginning January 1, 2026.

- 1) Restructure former CBA for readability and clarity without changing content unless otherwise specifically proposed.
 - a. Create Article on Union Business and Representatives combining existing Articles 7 Stewards, 33 Union Business and Representatives, and 34 Business Agents.
 - b. Create Article on Pay and Wages combining existing Articles 22 Pay Periods, 35 Severance Pay, 36 Wages, and 37 Compensation Time. Also include overtime language from Article 23 Work Week.
 - c. Create Article on Working Hours combining existing Articles 23 Work Week, 24 Standby-By, 25 Call-In/Hold Over, and 27 Break Time.
 - d. Reorganize Articles to flow smoothly and logically in a mutually agreed manner.
- 2) Miscellaneous minor items for discussion.
 - a. Article 5 Bonds: Remove this article as the City does not require bonds of any employees.
 - b. Article 6 Liability Coverage: Remove this article as it is no longer relevant as all cities are required to have liability coverage.
 - c. Article 10 Grievance Procedure, Section 2: Replace Commissioner with City Administrator and Human Resources Director.
 - d. Article 12 Citizen's Complaint: Amend so that members of the public are not required to participate in this process in order for a complaint to be made part of official records.
 - e. Article 15 Seniority: Amend so the seniority list is provided upon request.
- 3) Article 7 Stewards: Adjust steward's permissible hours worked on union business from two to one.
- 4) Article 8 Bulletin Boards: Union Business Notices may be sent to employee's work email address.



- 5) Article 11 Discharge or Suspension: Amend so that reprimands and disciplinary action are not removed from employee's record after 24 months but remain permanently. See Attachment D.
- 6) Article 13 Reprimand: Delete as this is covered under Article 11.
- 7) Article 17 Employee Classification: Replace language with Attachment A.
- 8) Article 18 Sick Leave
 - a. Delete subsection 5E. This is no longer relevant as it is covered under subsections 5A and 5C.
 - b. Amend subsection 6 that the HR department may require a doctor's certification to establish the employee's illness or injury.
 - c. Amend subsection 11B to replace Finance Officer with Human Resources Director.
- 9) Article 21 Insurance: Remove language related to Insurance Committee (noted in Attachment B) and create new article for employee committees (noted in Attachment B).
- 10) Article 26 Safety and Equipment: Increase annual boot/clothing allowance to \$200.00.
- 11) Article 26 Safety and Equipment: Delete paragraph 3 related to paint mixing drill. This is covered by safety manual.
- 12) Article 29 Special Leave: Replace language for subsection (1) Funeral Leave with Attachment C.
- 13) Article 29 – Special Leave: Add Personal Leave benefit in as new subsection.
- 14) Article 30 – Holidays: Increase Christmas Eve observation to 8 hours.
- 15) Article 31 Vacations: Clarify vacation accrual schedule.
- 16) Article 36 Wages
 - a. Wages will be increased by 2.5% for a cost-of-living adjustment and employees will be eligible for an additional 1.5% performance-based step increase.
 - b. Employees in the water treatment department will receive a \$1.50 per hour increase for hours worked on weekends.
- 17) Article 37 Compensation Time: Edit to state comp time needs to be used by end of pay period #24 instead of by December 1st.
- 18) Article 41 – Duration: Establish a 3-year contract with annual wage opener.
- 19) Appendix A – Grade Scale



- a. Remove Heavy Equipment Operator and Park Technician positions at Grade 13. Remove Spraying Certification from titles of Heavy Equipment Operator and Park Technician positions at Grade 14.
- b. Create Solid Waste Operator position at Grade 13.
- c. Remove General Laborer – Recycling at Grade 10.

Discussion Item to Note-

- Job Descriptions were created but the employees have not seen them. Are they posted somewhere?
 - Yes, all employee job descriptions are available in the Employee Portal on the City of Madison website. Employees needing assistance logging in should contact IT.



Attachment A: Rewrite of Article 17 – Employee Classification

Current Language:

ARTICLE 17 EMPLOYEE CLASSIFICATION

Regular Full-Time Employees - Employees who work not less than sixty-four (64) hours bi-weekly on a year round basis, completed a six (6) month training period and as a result has received a satisfactory rating by his/her supervisor. Time served on training period status will be considered as regular full-time when the employee is so classified.

Training period (Introductory) Employees - Training period employees are newly hired employees and shall be considered on a “training period” status for six (6) months following their initial date of employment. Upon completion of not more than six (6) months of satisfactory performance, such employees shall be classified as regular full-time. A training period employee shall be subject to layoff, discipline, or discharge at the sole discretion of the City. After an employee has satisfactorily completed the training period, seniority will be established as of his/her regular full-time employment date.

Part-Time Employees - Employees who work less than sixty-four (64) hours in a two (2) week period on average (one (1) year time frame). Part-time employees are eligible for those benefits associated with this classification.

Temporary Employees - Employees hired for either a defined period of time, seasonal work, or until completion of a specific project. Temporary employees are eligible for no benefits.

Proposed Language:

ARTICLE 17 EMPLOYEE CLASSIFICATION

For the purpose of employee classification, the following definitions shall apply:

- A) Employee in Training: A person who is hired to fill a job position will be classified as a probationary employee for the first one thousand forty (1040) hours of employment.
- B) Regular Employee: A person who has completed the one thousand forty (1040) hours probationary period, and who has, at the end of the period, been rated satisfactory by the supervisor, will be classified as a regular employee.
- C) Temporary/Part-time Employee: A person whose employment is fixed at the time of employment not to exceed one thousand forty (1040) hours of work in the twelve (12) month period following the person's date of hire or any subsequent twelve (12) month period. The one thousand forty (1,040) hours may be extended by written mutual agreement of both parties.



Attachment B: Replacement of Insurance Committee Language

Current Language:

ARTICLE 21 INSURANCE

...

In the spirit of working toward a partnership between management and employees, the City has created an insurance committee that is designed to review the current plan, schedule of benefits, service, utilization, rates, and any new proposals. This committee will consist of both non-voting and voting members and the following positions included are:

Non-voting:

- Human Resources Director (nonvoting member)
- Union Stewards from represented bargaining units – (nonvoting members)

Voting:

- Finance Officer
- 2 employees from the Teamsters departments
- 1 employee from the Electric
- 1 employee from Public Safety (either Fire or Police)
- 3 employees At-Large
- 1 Finance Commissioner
- 1 Department Head

This committee will work together to provide recommendations to the City Commission prior to the renewal of the insurance currently implemented. The Commission will take recommendations under consideration and negotiate with the union any proposed changes. The committee is not a decision-making committee but rather a committee comprised of recommending insurance proposed changes.

Proposed Language:

ARTICLE 21 EMPLOYEE COMMITTEES

In the spirit of working toward a partnership between management and employees, the City has established several employee committees designed to provide opportunities for involvement and contribution on relevant areas of city operations. Employee Committees may provide recommendations to the City Commission as desired, which will be taken into consideration.

The City shall have the sole discretion to form, adjust, and eliminate Employee Committees on relevant areas or topics. The Union will have a minimum of two employees from departments covered under this contract on each Employee Committee.



Attachment C: Replacement of Funeral Leave Language

Current Language:

- (1) Funeral Leave – A paid funeral leave of three (3) days will be granted to any probationary or permanent employee to attend the funeral of a member of his/her family. A member of his/her family shall be interpreted to mean husband, wife, son, daughter, father, mother, brother, sister, grandmother, grandfather, stepson, stepdaughter, stepfather, stepmother, father-in-law, mother-in-law, son-in-law, daughter-in-law, grandchild, and stepsiblings of the employee or spouse. Two (2) additional days may be charged to sick leave and if more time is needed the additional time may be charged to vacation. In the event of a funeral of an Aunt, Uncle, Niece, or Nephew, an employee may take two (2) days off with pay to be charged to sick leave and if additional days are needed these days may be charged to vacation.

In addition, in the case of the funeral of a member of the employee's family, two (2) additional days shall be granted where travel (at least two hundred [200] miles one [1] way) is necessary, provided the same is approved by the City. In the case of death of an Aunt, Uncle, Niece, or Nephew, two (2) days travel (must be at least two hundred [200] miles one [1] way) leave shall be given to attend the funeral to be deducted from the employee's sick leave, with prior approval from the City.

Proposed Language:

- (1) Funeral Leave
- a. A paid funeral leave of three (3) days will be granted to any probationary or permanent employee to attend the funeral of a member of his/her family. A member of his/her family shall be interpreted to mean husband, wife, son, daughter, father, mother, brother, sister, grandmother, grandfather, stepfather, stepmother, stepson, stepdaughter, and stepsiblings. The above determination of family members includes that of the employee and spouse. If additional days are needed, two (2) days may be charged to sick leave and additional days thereafter charged to vacation.
 - b. In the event of a funeral of an aunt, uncle, niece, or nephew, an employee may take two (2) days off with pay to be charged to sick leave. If additional days are needed, these days may be charged to vacation.
 - c. Two (2) additional days shall be granted for travel when the funeral occurs at least two hundred (200) miles away one way, provided the same is approved by the City. In the event of a funeral of a relative defined under subsection (a), the two days will be additional funeral leave days. In the event of a funeral of a relative defined under subsection (b), the two days will be charged to sick leave.



Attachment D: Replacement language in Article 11 Discharge or Suspension

Current Language:

- (5) A reprimand or other disciplinary action shall remain as a part of the employee's regular record for a period of twenty-four (24) months.

Proposed Language:

- (5) Reprimands will not be used against an employee after twenty-four (24) months from the date of the offense, as long as there are no repeated or other violations during that time. However, serious misconduct (such as theft, violence, harassment, or other major violations) may be used for future disciplinary decisions at any time. All disciplinary actions will remain in the employee's personnel file permanently, even if they are no longer active for discipline purposes.

MEMORANDUM OF UNDERSTANDING

Re: Preservation of Sick Leave Payout Benefit for Employee Russell Klosterman

This **Memorandum of Understanding (MOU)** is entered into by and between **City of Madison, South Dakota** ("Employer") and the **International Brotherhood of Electrical Workers (IBEW) Local 426** ("Union").

Background

1. The parties are negotiating revisions to the collective bargaining agreement (CBA) language regarding sick leave payout, including removal of the prior provision stating:

"Twenty-five percent (25%) of base wage for accrued sick leave will be reimbursed to employee upon resignation for all employees hired prior to January 1, 2005."
2. **Employee Russell Klosterman**, Meter Reader and member of the bargaining unit, was hired prior to January 1, 2005 and is scheduled to retire on or about **January 7, 2026**.
3. The parties agree that **Mr. Klosterman has a vested right to the above sick-leave payout benefit** under the language in effect during his employment.

Agreement

Therefore, the Employer and the Union agree as follows:

1. **Notwithstanding any revisions, deletions, or modifications to the sick-leave payout language in the 2026 CBA or any successor agreements, Russell Klosterman shall remain fully entitled to the sick-leave payout benefit as stated in the prior contract language.**
2. Specifically, upon his retirement, Mr. Klosterman shall receive:
Twenty-five percent (25%) of base wage for accrued sick leave, calculated pursuant to the terms and practices historically applied under the existing CBA.
3. This MOU applies **solely to Russell Klosterman** and does not create or extend rights for any other current or future employees.
4. This MOU is intended to confirm the parties' mutual understanding that the upcoming changes to sick-leave payout provisions shall **not extinguish, diminish, or alter** Mr. Klosterman's vested benefit.
5. This MOU shall be appended to and incorporated by reference into the current CBA, and shall remain effective until Mr. Klosterman's retirement and payout are completed.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding on the date below.

Dated at Madison, South Dakota on this _____ day of _____ 2025.

CITY OF MADISON, A Municipal Corporation

BY: _____
Roy Lindsay, Mayor

ATTEST: _____
Amy Sad, Finance Officer

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, Local 426

BY: _____
Dylan Meyer, Business Manager

BY: _____
Oakley Denne, Member Negotiating Committee

**COLLECTIVE BARGAINING AGREEMENT
BETWEEN
THE CITY OF MADISON
AND
INTERNATIONAL BROTHERHOOD OF
ELECTRIC WORKERS,
LOCAL UNION 426
AFL-CIO**



**EFFECTIVE:
JANUARY 1, 2026
THROUGH
DECEMBER 31, 2028**

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**AGREEMENT BETWEEN CITY OF MADISON AND LOCAL NO. 426 OF
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS, AFL-CIO**

This Agreement made and executed by and between the City of Madison, Madison, South Dakota, its successor or assigns, (hereinafter referred to as the "Employer/City") and Local Union No. 426 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, affiliated with the AFL-CIO, (hereinafter referred to as the "Union"), witnessed:

TERMS AND AMENDMENTS

This Agreement shall become effective January 1, 2026 and shall continue in full force and effect to and including December 31, 2028, (the "Term"). This Agreement shall continue in full force and effect from year to year thereafter except that from year to year either party hereto may give written notice on or before August 1st of each year during the contract Term that wages shall be opened for yearly negotiation. Any such notice by either party hereto shall not be effective except on or before August 1st of any year. On or before August 1, 2028, the parties shall agree to commence negotiations for a new Term.

SPIRIT OF AGREEMENT

It is mutually agreed and covenanted by the parties to this Agreement that their respective interests can best be served by a wholesome interest of the employee and the Employer alike. The Employer and the Union have a common and sympathetic interest in the efficiency and success of the Employer in performing its function in the distribution of electricity. The Union and the Employer further agree that in return for the basic rights of employment and working conditions covered by this Agreement, there is need for a continuous and cooperative program to improve operating methods and productive performance which will provide for a corresponding compensation return, increasing employee satisfaction and enthusiasm, and reasonable financial stability for the Employer. The following objectives are mutually agreed to and set forth with regard to wages and salaries:

- A) We intend to establish salaries and wages that are adequate to attract and retain qualified personnel and stimulate their superior performance, growth, and development.
- B) We intend to provide each person with a feeling that the salary compares fairly with what is paid for other positions having similar duties, difficulties and responsibilities both within the

City and in other organizations within the area from which the employee would normally be recruited.

- C) We intend to assure both management and employees that performance will be appraised systematically, fairly and that opportunities will be provided to permit all employees to become highly trained and grow and develop so that they can assume positions of greater responsibility.
- D) We intend to provide wages and salaries on a fair, systematic and predetermined basis so that the Employer can adequately determine budget requirements and do long-range planning.

For the purpose of facilitating the peaceful adjustment of differences that may arise from time to time and to promote harmony and efficiency to the end that the City, the Union may mutually benefit, and in consideration of the respective promises of the parties hereto, this Agreement is hereby made and entered into.

ARTICLE 1 – RECOGNITION

Section 1: This Agreement covers all regular employees of the City who are classified as "employees employed in the electrical department of the City of Madison, excluding all other employees of the City of Madison including professional, supervisory and temporary/part time".

Section 2: The City recognizes the Union as the sole and exclusive representative for the purpose of collective bargaining with respect to hours, wages, and other conditions of employment for all employees covered by this Agreement.

Section 3: Neither the City, nor the Union shall willfully, orally or in writing, make untruthful statements concerning the other party or its representative.

Section 4: There is attached hereto and made a part hereof Schedule "A" which lists the position titles and rates of pay for each position covered by this Agreement.

Section 5: For the purpose of this Agreement, the following definitions shall apply:

- A) Employee in Training: A person who is hired to fill a job position will be classified as a probationary employee for the first one thousand forty (1040) hours of employment.
- B) Regular Employee: A person who has completed the one thousand forty (1040) hours probationary period, and who has, at the end of the period, been rated satisfactory by the

supervisor, will be classified as a regular employee.

- C) Temporary/Part-time Employee: A person whose employment is fixed at the time of employment not to exceed one thousand forty (1040) hours of work in the twelve (12) month period following the person's date of hire or any subsequent twelve (12) month period. The one thousand forty (1,040) hours may be extended by written mutual agreement of both parties.

ARTICLE 2 - COMPLIANCE WITH THE LAW

Section 1: Nothing in the Agreement shall be construed to require either party to the Agreement to act in violation of any applicable state or federal law or legal regulation. In the event that any such condition arises, the Agreement shall be modified in respect to either or both parties to the extent necessary to comply with such law or regulation.

Section 2: If any provision of this contract or the application of the same shall be held invalid, the legality of the other provisions of the contract shall not be affected thereby.

ARTICLE 3 - MANAGEMENT RIGHTS

Section 1: The customary functions of the management for the carrying on of the business and operation are recognized and vested exclusively in the Employer. Such customary rights include the control and regulation of usages of its machinery, equipment and other property; the determination of the number, location and continuance of use of its plants and offices; the subletting of work; the direction and control of its work force as to size and composition and assignment of employees; to make all changes, rules, policies and practices; to hire, promote, retire, demote, transfer, layoff and recall employees to work; to determine the work schedules as to hours and shifts to be worked; to reprimand, suspend, discharge or otherwise discipline employees for just cause and otherwise generally manage the Employer direct the work force and establish terms and conditions of employment.

Section 2: Such right and power shall not be exercised arbitrarily or unfairly to any employee and shall not be exercised so as to violate any provision of this contract. No rule, procedure or practice of the management shall be contrary to any provision of this contract.

ARTICLE 4 - CONDUCT OF UNION AFFAIRS

Section 1: The Employer recognizes and will not interfere with the right of its employees to become members of the Union. There shall be no discrimination, interference, restraint or coercion by the

Employer or any of its agents against any employee because of membership in the Union.

Section 2: Pursuant to the rules and regulations of the Union, the Union shall select at least one steward to represent the employees covered by this Agreement. All stewards referred to in this Agreement shall be regular employees of the Employer.

Section 3: Prior to the discharging of steward duties, the Union shall furnish, to the Employer, in writing, the names of such stewards.

Section 4: The steward shall be instructed by the Union as to the duties and responsibilities of the steward, both representing the employees to the City and in interpreting the provisions of this Agreement to the employees. The steward shall be available to the City to aid in securing compliance with the terms of this Agreement. The steward shall be available to any employee to assist in the handling of any grievance, as provided in the grievance procedure.

Section 5: The steward shall be permitted to devote reasonable periods of time to represent assigned work groups during normal working hours, without loss of pay, but not to exceed more than one (1) hour per pay period.

Section 6: The City shall not treat a Union steward any more favorable or less favorable than any other employee of the City.

Section 7: The City will allow the Union to send Union business notices to employee's work emails. Such notices shall be restricted to: (1) changes in rules and regulations of the Union; (2) changes in personnel on committees and officers of the Union; (3) notice of time and place of regular and special Union meetings, social functions and entertainments sponsored by the Union or its International; and (4) notice of Joint Apprenticeship and Training Committee meetings and proposals of other committees created under this Agreement.

ARTICLE 5 - COMMITTEE FOR UNION - MANAGEMENT COOPERATION

Section 1: The parties recognize that during the period in which this Agreement is in effect, problems of administration of this Agreement may arise which are not anticipated by either party. They also recognize that during such period more mutually constructive and productive relationships are likely to exist between the City and the Union and among both management and non-management employees, if both the City and the Union continue to enlarge their respective efforts to gain a better

appreciation and understanding of each other's problems and objectives. They recognize that frequently what first appears to be problems or areas of conflict and disagreement, are actually the result of misunderstandings which are cleared away upon a complete and frank exchange of viewpoints and ideas. They believe that even though limitations are being placed upon formal collective bargaining negotiations through the extended period of this Agreement, a better atmosphere in which they both desire, can be created through meetings of the kind described below.

Once each month or as needed, meetings may be held during the term of this Agreement of the committee formed as part of this Article. It is understood that such meetings will be held for the purpose of appraising and discussing the problems, if any, which arise concerning administration, interpretation or application of the Agreement or other matters, which either party believes, will contribute to the improvement in this relationship between them within the framework of this Agreement. It is understood that such meetings shall not be for the purpose of handling grievances or conducting collective bargaining negotiations nor for any purpose which in any way will modify, add to, or detract from the provisions of this Agreement. In agreeing to such meetings, the parties are providing concrete evidence of their sincere desire to encourage friendly, cooperative relationships between their respective representatives at all levels, and with and between all employees covered by this Agreement and to find ways to overcome difficulties, influences, or attitudes which interfere with such relationships.

This committee shall also consider handling problems concerning the safety of working conditions. Each of the parties recognizes the importance of protecting the health, life, and limb of employees and the City will make every reasonable effort to improve conditions that promote health and safety among City employees. This committee may make recommendations respecting conditions, which in its opinion would make working conditions safer.

This committee shall meet as often as necessary and shall administer the Registered Apprenticeship Agreement, between the City and the Union.

The committee shall be composed of two (2) members designated by the union and two (2) members designated by the City. Any recommendations must be adopted by a majority of the committee.

ARTICLE 6 - GRIEVANCE PROCEDURE

A grievance is defined as any dispute involving the application or alleged violation of any provision of city policy, or work activity, or dispute involving the interpretation of a union agreement with the

City that cannot be satisfactorily resolved as a result of a discussion between the aggrieved employee and his/her immediate supervisor.

Section 1: An employee shall reduce in writing and submit to his department head the grievance within ten (10) calendar days following the day on which the grievance occurred or when the employee should have had reasonable knowledge of the occurrence. The written grievance shall contain a statement of the facts, the revision or provisions of the Agreement or working condition or employment, which the employee believes, may be a basis for corrective action by the aggrieved employee or union representative. An employee may have the Local Union steward and/or the local business representative present at the time of discussion with the employer, who in the first instance shall be his/her department head. All grievances shall be answered in writing within ten (10) calendar days of the receipt of the grievance.

Section 2: Should the parties fail to agree upon a satisfactory disposition of the grievance, the matter may be referred within ten (10) calendar days by the employee to a conference between the Union and the City Administrator and Human Resources Director. A written answer to the grievance shall be submitted within ten (10) calendar days of the conference.

Section 3: In the event the grievance is not resolved under the procedures of Section 2, the employee may request, in writing, a hearing with the City Commission within ten (10) calendar days of the decision being received by the employee under Section 2. The Commission at its next regularly scheduled meeting, in executive session shall set the hearing date. The hearing shall be scheduled and held within the following two weeks and be conducted in an executive session under procedure to be established by the commission. The Commission will make a decision and the employee notified within ten (10) days of said hearing.

Section 4: Any grievance not resolved as a result of the hearing described in Section 3 may be referred, by either party, to the Department of Labor Management pursuant to SDCL 3-18-5.2. The appeal must be initiated within thirty (30) calendar days following notification of the decision by the City Commission. No grievance shall be entertained or processed unless it is submitted in accordance herewith. Failure of either party to abide by the time limits set forth in this procedure shall mean that the grievance is resolved according to the remedy sought or deemed not to exist.

Section 5: Any time limits under any section may be extended by mutual written agreement by the City and the employee or the Union.

Section 6: This system is intended to protect the employee and give them a means of appeal in matters of importance. For example: A discharge of an employee for what is felt by him/her to be a lack of cause.

Section 7: At any time, the employee or the Union may dismiss or drop a grievance. The dismissal of the grievance shall not be viewed as precedent for a grievance on identical topic matter of another employee.

ARTICLE 7 - SENIORITY

Section 1: A regular employee will accumulate seniority based on the employee's date of hire and total continuous service with the Department.

Section 2: Any temporary or part-time employee, whose employment arrangement is changed to full-time status, shall be treated as a new employee. Once an employee is offered full-time status his date of employment shall be determined by subtracting one (1) day for each day that he has worked for the City from the date he/she is offered full-time employment.

Section 3: Seniority rights shall not apply to a probationary employee. After an employee has satisfactorily completed the probationary period, seniority will be established as of the employee's date of hire in the department.

Section 4: In the event it becomes necessary to lay off employees for any reason, an employee will be laid off in inverse order of their seniority in the particular job or in their particular department if the jobs are similar. No new employees shall be hired until all employees on layoff status desiring to return to work have been recalled, if qualified to perform the work. All seasonal or part-time employees shall be laid off before any full-time employees are laid off.

Section 5: Transfer and Promotions

- 1) Employees may be transferred from one (1) department to another as need may rise, or upon request.
- 2) If it is found you are not fully suited for your work, an attempt will be made to transfer you to other work suitable to your qualifications with the hope you will then make satisfactory progress. After you have performed satisfactorily, and have demonstrated qualifications for advancement, you will be considered for promotion to positions which may pay a greater wage and utilize greater skills. Vacancies in higher positions will be filled by deserving employees of the city whenever possible.

- 3) Promotion within the City shall be by department, on a seniority basis with the most senior employees within the department considered first (1st) for promotion. Determination of position qualifications is a prerogative of the city. Any promoted employee shall be granted a thirty (30) day trial period to determine:
 - i. His/her ability to perform the job.
 - ii. His/her desire to remain on that job.
 - iii. During the thirty (30) day trial period an employee may elect to revert back to his/her previous position without penalty or prejudice.
- 4) If the city is unable to fill a vacancy by promotion from within, it may hire from outside the work force. When a vacancy occurs and no employee, in the opinion of the city is eligible to fill the vacancy, a new employee may be hired. New employees will be subject to a six (6) month training period.
- 5) If the employee desires a transfer to another job, the employee shall submit an application in writing to the Supervisor. The application shall state the reason for the transfer in addition to the job title the employee wishes to transfer to.

Section 5: The City shall give credit for prior service for seniority and other length of service benefits to any person laid off and subsequently re-employed by the City; provided, the reemployment occurs within twelve (12) months of layoff.

Section 6: If an employee is granted a leave of absence by the City and if the absence does not exceed six (6) months, then the employee's service will be considered continuous.

Section 7: An employee who leaves the employment of the City to enter the Armed Forces, either by enlistment or by draft, shall be reinstated, as provided by federal law, upon application within ninety (90) days after the individual is first eligible for honorable discharge or is released from active duty, whichever occurs first; provided, the person qualified under the seniority rules and is capable of performing the work required. Upon reinstatement, such employee will be given credit for continuous service prior to entering the Armed Forces, plus full credit for time spent in such service.

Section 8: An employee shall forfeit seniority when an employee:

- A) Quits
- B) Retires

- C) Is discharged, with cause
- D) Fails to report for work within seven (7) days after being notified to return following a layoff.
- E) Is laid off for a continuous period of twelve (12) months.
- F) Is absent for eighteen (18) months, or a time equal to one-half (1/2) of the employee's seniority, whichever is less, because of a non-occupational injury or illness, unless such time is extended in writing by the City.
- G) Is absent for twenty-four (24) months, or a time equal to one-half (1/2) of the employee's seniority, whichever is less, because of an occupational injury or illness, unless such time is extended in writing by the City.

ARTICLE 8 - DISCIPLINARY ACTION

All City employees are responsible for carrying out city policy for the good of the City and its citizens. When disciplinary action is necessary, it is the responsibility of the supervisor to initiate, administrate and carry through the proper action. Employee shall not be disciplined, suspended, or discharged without just cause.

Section 1: The cause for which an employee may receive disciplinary action include the following but not limited to:

- A) Incompetence or inefficiency
- B) Violation of safety rules
- C) Disregard for authority and willful failure to obey lawful orders
- D) Failure to meet departmental physical fitness standards
- E) Deceit or falsification of records
- F) Disclosure of confidential information
- G) Theft or other acts of turpitude tending to discredit the city
- H) Use of or under influence of intoxicating liquor or drugs on the job or in or on city property
- I) Abuse of sick leave privilege
- J) Continued tardiness
- K) Any action which is detrimental to the efficiency or effectiveness of the operation of the city
- L) Any action which is detrimental to or discredits the city

- M) Any action which threatens the safety and security of the city employees or the general public
- N) A violation of a departmental rule or procedure

Section 2: Whenever the City determines that disciplinary action is to be imposed upon an employee, these steps shall be followed, however the City may at its discretion choose any level of discipline provided it is commensurate with the severity of the action.

- A) For first (1st) offense a documented verbal reprimand.
- B) For second (2nd) offense, depending upon severity, up to or including a written reprimand or a suspension without pay or demotion.
- C) For a third (3rd) offense, depending upon the severity of the offense, a suspension without pay, up to and including, demotion or discharge.
- D) No reprimand shall be needed to discharge an employee for being under the influence of alcohol or drugs while on duty. (Subject to the city's work rules relating to chemical dependency on drugs or alcohol) theft or other acts of moral turpitude or in any other manner converting employer's property, disregard for authority and willful failure to lawful orders, assaulting a city officer, supervisor or employee on the premises or any conduct which threatens the safety and security of city employees or the general public.
- E) Reprimands will not be used against an employee after twenty-four (24) months from the date of the offense, as long as there are no repeated or other violations during that time. However, serious misconduct (such as theft, violence, harassment, or other major violations) may be used for future disciplinary decisions at any time. All disciplinary actions will remain in the employee's personnel file permanently, even if they are no longer active for discipline purposes.

ARTICLE 9 - SICK LEAVE

The City policy with reference to sick leave is as follows:

Section 1: Probationary and permanent employees will receive sick leave credits at the rate of one-half (½) day per pay period (twenty-six [26] pay periods per year) or thirteen (13) days per year. In the event of illness an employee will receive eight (8) hours for each regular workday he/she is absent from work to the extent of his/her earned sick leave credits.

Section 2: Temporary employees do not receive any sick leave credits.

Section 3: Employees shall be charged for sick leave only for absence on days when they would otherwise work and receive pay.

Section 4: Sick leave shall be granted to employees:

- A) When they are incapacitated from the performance of their duties due to illness, injury or pregnancy and confinement.
- B) For medical, dental, or optical examination or treatment.
- C) When a member of the immediate family or the employee is afflicted with an illness and requires the care and attendance of the employee.
- D) When, through exposure to illness, the presence of the employee at his/her post of duty would jeopardize the health of others.
- E) Employees may use up to two (2) days of sick leave for funeral leave in accordance with Article XIII B.
- F) When an employee's sick leave extends beyond three (3) work days, the City may require a doctor's certification clearing the employee for a return to work.
- G) Employees are expected to employ the sick leave provisions only in the event of actual illness. Abuse of the privilege by any employee and deliberate deceit in connection with the use of this privilege will result in discharge of the employee.
- H) Procedures:
 - a. When an employee is ill and unable to work, he/she shall call his/her supervisor.
 - b. The number of hours of sick leave will be notated on the employee's time sheet and charged against his/her accumulated sick leave by the Human Resources Department.
 - c. An employee who abuses the sick leave privilege may expect disciplinary action pursuant to City policy. The employee may present a doctor's certification to establish the employee illness or injury to avoid disciplinary action.
- I) All employees shall be paid twenty-five percent (25%) of base wage for accrued sick leave up to a total of four hundred eighty (480) hours.

ARTICLE 10 - LAYOFF RECALL - JOB OPENINGS - NEW POSITIONS

Section 1: All vacancies in positions covered by this Agreement shall be posted and held open for at least five (5) working days. Employee applications will be considered in the selection of persons to fill such vacancies.

Section 2: If new job positions are established or job descriptions change during the term of the agreement, the City agrees to meet with representatives of the Union to review such new position descriptions and to negotiate a wage rate for the employees as affected.

Section 3: The City shall notify, in writing any employee who is to return to work following a layoff. The City shall personally deliver or shall mail such notice by certified mail, return receipt requested, to the last address furnished the City by the employee. Any employee so notified must, within seven (7) days of receipt of such notice, advise the City, in writing, as to whether or not the employee intends to return to work. A returning employee shall report for work on the day designated by the City.

ARTICLE 11 - HOLIDAYS

Section 1: The City will pay each employee eight (8) hours of regular pay for each of the following holidays.

- | | | |
|---------------------------|------------------------|----------------------|
| 1) New Year's Day | 6) Juneteenth | 11) Thanksgiving Day |
| 2) Martin Luther King Day | 7) Independence Day | 12) Christmas Eve |
| 3) President's Day | 8) Labor Day | 13) Christmas Day |
| 4) Good Friday | 9) Native American Day | |
| 5) Memorial Day | 10) Veteran's Day | |

Section 2: When a holiday falls on Sunday, the following Monday shall be considered to be the holiday. When a holiday falls on Saturday, the preceding Friday shall be considered the holiday. If December 24th falls on a Saturday or Sunday, the preceding Friday shall be considered the holiday.

Section 3: Whenever an employee is required to work on a holiday, the City will pay the employee the allowed regular pay, plus time and one-half (½) for the number of hours actually worked. If employee is required to work Thanksgiving Day or Christmas Day, the employee will be paid the allowed regular pay plus double time for hours actually worked.

Section 4: Employees shall only be eligible to receive these holidays off with pay if they have worked or were on paid leave on the last shift prior to the holiday and the first shift after the holiday.

Section 5: If the holiday is observed on the employee's day off or during his/her vacation, he/she will be paid regular pay for the non-worked holiday.

ARTICLE 12 - VACATION

Section 1: Regular and probationary employees shall accrue vacation according to the following schedule. The date of hire and the anniversary thereof shall determine length of employment.

<u>Length of Employment</u>	<u>Accrual Rate</u>
Date of Hire through Year 5	80 hours per year (≈ 3.08 hours per pay period)
Year 6 through Year 13	120 hours per year (≈ 4.62 hours per pay period)
Year 14 through Year 25	160 hours per year (≈ 6.15 hours per pay period)
Year 26 and thereafter	200 hours per year (≈ 7.69 hours per pay period)

Section 2: The maximum number of hours of vacation time that an employee may accumulate shall be limited to an amount equal to two (2) times the employee's current annual accrual rate. When an employee reaches the limit, no further vacation time can be accrued until the total amount is reduced below the maximum. In the event of accident, sickness, or an emergency working condition the City may, on an individual employee basis, extend the maximum.

Section 3: Temporary/part-time employees do not receive vacation benefits.

Section 4: The employee shall be responsible for scheduling vacation leave so that accrual will not be lost.

Section 5: Vacation leave may be taken in increments equal to one-quarter ($\frac{1}{4}$) hour with supervisors' permission.

Section 6: Requests for vacation leave must be made a reasonable time in advance to avoid impairing the work of the department.

Section 7: Requests for vacation leave must be submitted to and approved by the employee's immediate supervisor.

Section 8: For vacation requests made prior to the first day of April, seniority shall be used to resolve vacation scheduling conflicts, within a unit. Beginning April 1, vacation requests within a unit, shall be scheduled on a first (1st) request, first (1st) honored, basis.

Section 9: If a holiday, as established in this Agreement, occurs during an employee's vacation leave, the holiday time shall not be charged against the employee's accrued vacation pay.

Section 10: An employee's vacation pay shall be at the same rate as the employee's regular rate of pay.

Section 11: Employees who are laid off or discharged, who resign or retire after giving two (2) weeks' notice to the City, or who are called to military service, shall receive payment of such vacation time as is due them. Cash payments in place of vacation privileges are not permitted.

Section 12: Employees may not use vacation leave during their final two (2) weeks after providing notice of resignation or retirement unless the Department Head provides written approval.

Section 13: Employees will be allowed to accumulate an extra forty (40) hours of vacation leave during their retirement year only. For purpose of this Section, retirement year is defined as the twelve (12) months prior to retirement. The employee must provide written notification to the City of intended retirement date prior to accumulating the extra hours.

ARTICLE 13 - LEAVES OF ABSENCE

A leave of absence (LOA) is a privilege given to a full-time employee or permanent part-time employee. It allows you to be absent from employment for a period of time without having to terminate employment or lose any benefits you may have accrued up to that time.

You may request a leave of absence after being employed six (6) months. If convenient, a leave of absence without pay may be arranged through your department head and the Human Resources Department with final approval by the Board of Commissioners. Earned vacation must be used before a LOA will take effect.

If a leave of absence is necessary, you should obtain a Status Change Form through your department head, or Human Resources Department, and complete the form as far in advance as possible so that your supervisor may arrange for the necessary approval and coverage of your work during your absence. Each case is decided on its own merit. You should submit the form through your supervisor. The supervisor will then submit the form to the Human Resources Department.

A) Generally, dependent on your situation, LOA's will be granted for the following reasons after earned vacation is used:

- 1) Maternity: three (3) months
- 2) Extended illness beyond accrued sick leave: sixty-nine (69) days.
- 3) Military reserve training: fifteen (15) days
- 4) Marriage: two (2) weeks
- 5) Extended vacation: one (1) week
- 6) Death and funerals: as needed, with approval to a maximum of two (2) weeks

B) Funeral Leave

- 1) A paid funeral leave of three (3) days will be granted to any probationary or permanent employee to attend the funeral of a member of his/her family. A member of his/her family shall be interpreted to mean husband, wife, son, daughter, father, mother, brother, sister, grandmother, grandfather, stepson, stepdaughter, stepfather, stepmother, father-in-law, mother-in-law, son-in-law, daughter-in-law, grandchild, and stepsiblings of the employee or spouse. Two (2) additional days may be

charged to sick leave and if more time is needed the additional time may be charged to vacation. In the event of a funeral of an Aunt, Uncle, Niece, or Nephew, an employee may take two (2) days off with pay to be charged to sick leave and if additional days are needed these days may be charged to vacation.

- 2) In addition, in the case of the death of any of the above-named relatives, two (2) additional days shall be granted where travel (at least two hundred [200] miles one [1] way) is necessary, provided the same is approved by the department head. In the case of death of an Aunt, Uncle, Niece, or Nephew, two (2) days travel (must be at least two hundred [200] miles one [1] way) leave shall be given to attend the funeral to be deducted from the employee's sick leave, with prior approval of the department head.

C) Active Reserve Duty

Any employee who has served his/her probationary period and who is a duly qualified member of the "ready reserve" of an organized unit, and who, in order to receive military training with the Armed Forces of the United States of America, is required to have leave, shall be given five (5) paid days of leave and ten (10) unpaid days of leave in any one calendar year. Such leave shall be unpaid. An employee shall be granted leave for:

- 1) Military Leave subject to and consistent with SDCL 3-6-19, any employee who has served his/her probationary period and reports for and performs duty in any branch of the Armed Forces shall be entitled to reinstatement with the employer provided:
 - a) He/she makes written application for reinstatement for the position held prior to his/her service within ninety (90) days of his/her release from the service or within ninety (90) days after hospitalization continuing after such release for a period not to exceed one (1) year.
 - b) The position with the employer still exists.
 - c) The employee is capable of discharging the duties of the position.
 - d) Separation from the Armed Forces was other than dishonorable.

D) Union Conventions

Employees who are officers of their Unions shall be entitled to unpaid leave to attend an annual convention or a state convention of the Union. Such leave shall include necessary travel time to get to the place of the convention.

E) Leave of Absence for Valid Reasons

Leave of absence for valid reasons may be extended for a maximum of thirty (30) days. You are limited

to one renewal. This must be requested as early as possible, but before the last week of your initial LOA. Any absence after this will result in a poor reference if absence is not a valid reason. Employment and leave of absence shall both terminate if you accept other employment. All former employees reemployed shall resume the status of a new employee and shall receive no credit for broken service unless a leave of absence has been granted.

F) Jury Duty

As a full-time employee, if you are called for jury duty after you have completed the six (6) month probationary period, you should inform your department head and the Human Resources Department immediately. If jury pay is less than regular pay, the difference in pay for all scheduled working days served on jury duty will be paid. Salary will be calculated on a forty (40) hour workweek. Evidence of jury pay, and the amount of payment must be shown to the Supervisor.

G) Family Medical Leave

All FMLA rights shall be referred to and governed by the City Policy on Family Medical Leave Act. The City of Madison adheres to the federal law and regulations.

ARTICLE 14 - INSURANCE AND RETIREMENT

Section 1: Health Insurance:

- A) The City shall provide group health and dental insurance plans for all full-time employees in the bargaining unit and their dependents electing to be covered by such insurance.
- B) For calendar year 2026, the City will pay a monthly health/dental insurance benefit as shown in Schedule “B”.

Section 2: Life Insurance:

Group life insurance is available for all permanent full-time employees. The City pays the cost of the term insurance on employee. The term insurance is for thirty thousand dollars (\$30,000.00) on the employee. Life insurance is available on the employee’s spouse and children as per outside carrier policy. The employee must pay the premium costs for spouse and dependent life insurance.

Section 3: Retirement:

The Employer will continue its policy of membership in the retirement program of the State of South Dakota for employees of municipalities and will continue to pay the appropriate state percentage match of employee's salary into such fund.

- A). Special Pay Plan – It is the intent of the City and the Union to provide the Special Pay Plan for its employees.

SDRS provides a special pay plan for all eligible employees. The City will follow the SDRS rules and policies where it relates to the Special Pay Plan. For more information, please see the City Policy.

- B). A retiring employee is able to retain group health and dental coverage by paying one hundred percent (100%) of each monthly premium if eligible for SDRS benefits and has fifteen (15) years of full-time cumulative service. Coverage may continue until retiree reaches the age of sixty-five (65) or otherwise qualifies for the Medicare program.
- C). SDRS Supplemental Plan – Employees may elect to participate in the SDRS Supplemental Plan. For every \$1.00 contributed by the employee, the City will contribute \$1.00 up to a maximum of employee contribution of \$27.00 per pay period. Contributions from employee and employer must follow SDRS Supplemental Plan rules and policies.

ARTICLE 15 – EMPLOYEE COMMITTEES

In the spirit of working toward a partnership between management and employees, the City has established several employee committees designed to provide opportunities for involvement and contribution on relevant areas of city operations. Employee Committees may provide recommendations to the City Commission as desired, which will be taken into consideration.

The City shall have the sole discretion to form, adjust, and eliminate Employee Committees on relevant areas or topics with the requirement that the topic of insurance benefits will be covered underneath a committee. The Union will have a minimum of one employee on each Employee Committee.

ARTICLE 16 – HOURS OF WORK

Section 1: The normal workweek shall consist of forty (40) hours of five (5) consecutive days, Monday through Friday. The normal workday shall consist of eight (8) hours between 7:00 a.m. and 4:00 p.m., with (1) hour off for lunch. This daily schedule may be altered by no more than one (1) hour for some or all employees, by mutual agreement between the City and the Union.

Section 2: Employees shall be allowed to take a fifteen (15) minute rest break during each working half (½) day.

ARTICLE 17 – OVERTIME-STANDBY-MEALS-CALL OUT

Section 1: Overtime – When it is necessary for employees to work at times other than normal working hours, those employees shall be paid at one and one-half (1 ½) times the regular rate of pay for the hours worked beyond forty (40) hours in a work week defined as Monday through Friday from 7:00 am to 4:00 pm as normal hours. The Electrical Department shall have the right to modify normal working hours for the completion of specific tasks requiring scheduling outside of the normal work hours for up to a week. Any extended change of normal

hours shall require commission approval for changes up to a month in duration. The City shall notify the Union of any change to normal working hours for less than a month. Any change beyond a month in duration shall require a negotiated change of contract terms and conditions. Work related to an emergency is not covered under this section.

The employee may at his/her option choose comp-time instead of wages, however, the comp-time shall be figured at the one and one-half (1 ½) times for each hour of overtime worked same as wage. If an employee chooses to have the comp-time instead of the wage, he/she must use the comp-time prior to the end of pay period #24 of each year. If the comp-time is not used by this time, the employee shall be paid in wages for the time worked at the applicable rate. The Human Resources department will provide a reminder for employees to use comp-time at least 30 days before the end of pay period #24. Comp-time will not be accumulated in December. Under no circumstance shall comp-time carry over to the next pay raise.

Section 2: Call Out – A minimum of two (2) hours of pay at the overtime rate shall be paid to all employees who are called back to work after having been released from their regular day's work. If employees are called to work two (2) hours or less prior to the start of the regular workday, overtime will be paid for the actual time worked from the time of call back to the commencement of the regular workday.

Section 3: Rest Period – Regular employees who have worked sixteen (16) hours or more in any twenty-four (24) hour period will, upon release from work, be entitled to an eight (8) hour rest period without loss of pay for regularly scheduled hours of work. If it is not practical to release a regular employee after the regular employee has worked sixteen (16) hours or more in a twenty-four (24) hour period, said regular employee shall be paid at the overtime rate until his release.

Section 4: Meals – When employees are required to work more than three (3) hours past their normal quitting time on a regular day or are called to work two (2) hours before the start of the regular workday, employees may submit for a meal reimbursement up to the State of South Dakota per diem rate. The employer has the discretion to supply a meal to employees in which case reimbursement will not be available. When emergency conditions require extended or unusual work conditions a lunch shall be provided every four (4) hours worked, a hot meal every eight (8) hours, until released.

Section 5: Standby – all employees will be required to take their turn providing after hours on standby from Saturday at 12:00 am to Sunday at 11:59 pm and on recognized holidays. Compensation shall be equal to one hour of regular pay per day of standby. Employees will be required to respond to any call-in within twenty (20) minutes and will be expected to make necessary accommodations to meet that response time. Failure to adhere will result in disciplinary action.

ARTICLE 18 - WORKING RULES

Section 1: The employer shall not require men covered by this Agreement to do new construction work out of doors during unreasonable weather conditions unless work is necessary to protect life or property or to maintain service to the public.

Section 2: The Employer shall provide rain clothing, helmet (hard hat), scare straps and gaffs, safety belts, climbing hooks and all other tools necessary.

A) Safety Glasses- Employees will receive prescription safety glasses once every two (2) years unless there is damage to the glasses by performing work for the City. Supervisor must approve additional safety glasses within that two (2) year period.

Section 3: Uniforms

The City shall furnish every employee whose work responsibility requires them to work in an electrical hazard area, an initial set of uniforms to be selected by the City. The initial uniforms shall include four (4) FR rated shirts, four (4) one hundred percent (100%) cotton T-shirts, four (4) FR rated jeans, one (1) FR rated coat, one (1) FR rated sweatshirt and one (1) FR rated bib overall. Each year thereafter the City agrees to replace two (2) shirts and two (2) pants or a combination thereof due to wear. The City will also replace any of the initial set of clothing for work related damage. The Department Head is responsible to order all uniforms. An annual boot/clothing allowance of two hundred dollars (\$200) (taxed per IRS standards) will be paid each year with Payroll #1. Only employees on the payroll on that date will receive the stipend. Employees will be expected to wear and maintain work appropriate boots and clothing.

Section 4: When an employee is required to be away from home overnight or longer, the Employer will provide necessary lodging, meals and cost of transportation. If the employee is required to use his personal automobile in the Employer's service, payment therefore shall be under the established Travel Regulation of the City of Madison.

Section 5: The Employer will pay the fees for all State licenses required for its employee.

Section 6: It is the policy of the City and the Union to prohibit discrimination and harassment. Employees should refer to the City Policy on Discrimination and Harassment.

ARTICLE 19 - SEVERANCE PAY

Section 1: Upon termination of employment, employees who have served the City five (5) years or more will receive severance pay, one (1) week's pay at the employees then current pay for each five (5) years of continuous service, or prorated amount thereof. Any employee who is discharged with cause by the City shall not be entitled to or receive severance pay.

ARTICLE 20 - DEDUCTION OF UNION DUES

Section 1: Where not in conflict with Federal or State Laws or regulations the Employer agrees that any employee covered by this Agreement may, upon written instructions to the Employer, request the Employer to deduct his current union dues from his earnings once each month, and the Employer further agrees that amounts so deducted will be turned over monthly to the financial secretary of the local union representing such employee. It is understood that the written instructions to the Employer authorizing such deductions of Union dues must be acceptable to the Employer.

The amount of dues to be deducted shall be certified by the Union at the effective date of this Agreement and may not be changed so far as the Employer is concerned during the contract year.

Section 2: Such written authorization shall be voluntary on the part of any employee and may be revoked by such employee at any time by giving the Employer and the Union written notice of such revocation.

Section 3: This Agreement to deduct Union dues shall not apply to initiation fees, special assessments, or payments of any kind due the Union by the employee other than current Union dues.

Section 4: If there should be insufficient pay due the employee after all mandatory deductions have been made, the Employer shall be relieved of all obligations to deduct the Union dues for that period and the Employer shall not be required to deduct in a subsequent pay period the dues which were not deducted earlier due to insufficient pay.

Section 5: The Employer shall not be liable to the Union by reason of the requirements of this article for the remittance or payment of any sum other than that authorized by the employee constituting actual deductions made from wages earned by the employee.

In addition, the Union shall indemnify and save the Employer harmless from any liability resulting from any and all claims, demands, suits, or any other action arising from compliance with this section.

Dated at Madison, South Dakota on this _____ day of _____ 2025.

CITY OF MADISON, A Municipal Corporation

BY: _____
Roy Lindsay, Mayor

ATTEST: _____
Amy Sad, Finance Officer

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, Local 426

BY: _____
Dylan Meyer, Business Manager

BY: _____
Oakley Denne, Member Negotiating Committee

SCHEDULE “A” – BASE WAGES

CLASSIFICATION	% of JL Rate	EFFECTIVE 12/14/2025
Electric Utility Supervisor	111.91%	\$53.50
Lead Line Worker	106.68%	\$51.01
Line Worker w/ State Electrical Contractors License	101.54%	\$48.55
Line Worker	100%	\$47.81
Apprentice Line Worker		
8th 6 Months	90%	\$43.03
7th 6 Months	85%	\$40.64
6th 6 Months	80%	\$38.25
5th 6 Months	75%	\$35.86
4th 6 Months	70%	\$33.47
3rd 6 Months	65%	\$31.08
2nd 6 Months	60%	\$28.69
1st 6 Months	55%	\$26.30
Meter Reader (of JL Scale)	78.03%	\$37.30
Apprentice Meter Reader	% of MR	
4 th 6 Months	90%	\$33.57
3 rd 6 Months	80%	\$29.84
2 nd 6 Months	70%	\$26.11
1 st 6 Months	60%	\$22.38
Administrative Assistant		\$24.12

Note 1: All wages in table were increased 2.4% for cost-of-living adjustment from previous year. Employees are also eligible for an annual 1.5% performance-based increase each year. This increase will result in each employee receiving a higher wage than noted in the base wage table.

SCHEDULE “B” – INSURANCE

Effective Plan Dates – 1/1/2026 – 12/31/2026

HP 1000 INSURANCE PLAN	Monthly Premium	Per Month		Per Payroll	
		City Benefit	Employee Deduction	City Benefit	Employee Deduction
Single	\$929.94	\$929.94	\$0.00	\$464.97	\$0.00
Employee + One	\$1,679.48	\$1,341.66	\$337.82	\$670.83	\$168.91
Employee + Children	\$1,894.08	\$1,497.62	\$396.46	\$748.81	\$198.23
Family	\$2,156.44	\$1,572.38	\$584.06	\$786.19	\$292.03

HP 2000 INSURANCE PLAN	Monthly Premium	Per Month		Per Payroll	
		City Benefit	Employee Deduction	City Benefit	Employee Deduction
Single	\$882.40	\$882.40	\$0.00	\$441.20	\$0.00
Employee + One	\$1,568.28	\$1,333.04	\$235.24	\$666.52	\$117.62
Employee + Children	\$1,808.28	\$1,537.04	\$271.24	\$768.52	\$135.62
Family	\$2,019.34	\$1,716.44	\$302.90	\$858.22	\$151.45

DENTAL PLANS	Monthly Premium	Per Month	
		City Benefit	Employee Deduction
Single	\$57.80	\$39.26	\$18.54
Employee + Spouse	\$112.92	\$73.02	\$39.90
Employee + Children	\$113.38	\$73.33	\$40.05
Family	\$165.38	\$96.23	\$69.15



2025 Joint Proposal Summary Between City of Madison and IBEW Local 426

Proposals are for a Collective Bargaining Agreement beginning January 1, 2026.

- 1) Restructure former CBA for readability and clarity without changing content.
 - a. Change article numbering from Roman Numerals (I, II, III...) to Arabic Numerals. (1, 2, 3...)
 - b. Article 7: Make Transfer and Promotions its own section instead of under Section 4.
- 2) Miscellaneous minor items.
 - a. Article 4, Section 7 Bulletin Boards: Change language so Union can send notices to employees' work emails instead of using a bulletin board.
 - b. Article 6 Grievance Procedure, Section 2: Replace Commissioner with City Administrator and Human Resources Director.
 - c. Article 7, Section 4(A)1: Delete "(see personnel office)"
 - d. Article 9 Sick Leave, Section 4, subsection (J), replace Finance Office with Human Resources Department.
 - e. Article 13 Leaves of Absence: Replace Finance Office with Human Resources Department (4 instances)
 - f. Article 19 Deduction of Union Dues, Section 6: Delete Voluntary Check-Off Form as it is unnecessary to include within the contract.
- 3) Terms and Amendments: Establish a three-year contract with annual wage opener.
- 4) Article 7 Seniority, Section 3: Clarify that seniority is based on department seniority.
- 5) Article 8 Disciplinary Action, Section 2
 - a. Add language that the City may choose level of discipline that matches the incident.
 - b. Amend so that reprimands and disciplinary action are not removed from employee's record after 24 months but remain permanently. See Attachment C.
- 6) Article 9 Sick Leave, Section 4
 - a. Delete subsection (E). This is no longer relevant as it is covered under 5A and 5C.
 - b. Replace subsection (G) with relating to requiring doctor's certification with new language. Add additional language in Procedures subsection, subsubsection c to



clarify that if the City pursues disciplinary action for abuse of sick leave, the employee may provide a doctor's note to establish illness.

- c. In subsection (K), delete language related to employees hired prior to January 1, 2005. There are no employees remaining in positions covered by IBEW who meet this criterion. Establish a Memorandum of Understanding to clarify the remaining tenure of the meter reader.
- 7) Article 11 Holidays, Section 2: Increase Christmas Eve holiday from four hours to eight hours.
- 8) Article 12 Vacation
 - a. Section 1: Clarify vacation accrual schedule.
 - b. Section 3: Amend to clarify that regular and probationary employees receive vacation accruals beginning date of hire and temporary/part-time employees do not receive vacation benefits.
- 9) Article 13 Leaves of Absence, subsection (B) Funeral Leave: Replace language for Funeral Leave with Attachment A.
- 10) Article 14 Insurance and Retirement, Section 1 Health Insurance: Delete insurance committee language and create new article for Employee Committees with Attachment B.
- 11) Article 14 Insurance and Retirement, Section 3 Retirement: Add language for employer match to SDRS Supplemental Retirement.
- 12) Article 16, Section 1 Overtime: Amend to state comp time needs to be used by end of pay period #24 instead of by December 1st.
- 13) Article 16, Section 5 Standby: Change standby pay to 1 hour of straight time wage for Saturday, Sunday, and recognized holidays.
- 14) Article 17 Working Rules, Section 3 Uniforms: Increase annual boot/clothing allowance from \$150 to \$200.
- 15) Schedule "A" Base Wages – Increase wages to reflect a 2.4% cost-of-living adjustment. Employees are also eligible for a 1.5% performance-based increase.



Attachment A: Replacement of Funeral Leave Language

Current Language:

Funeral Leave

- 1) A paid funeral leave of three (3) days will be granted to any probationary or permanent employee to attend the funeral of a member of his/her family. A member of his/her family shall be interpreted to mean husband, wife, son, daughter, father, mother, brother, sister, grandmother, grandfather, stepson, stepdaughter, stepfather, stepmother, father-in-law, mother-in-law, son-in-law, daughter-in-law, grandchild, and stepsiblings of the employee or spouse. Two (2) additional days may be charged to sick leave and if more time is needed the additional time may be charged to vacation. In the event of a funeral of an Aunt, Uncle, Niece, or Nephew, an employee may take two (2) days off with pay to be charged to sick leave and if additional days are needed these days may be charged to vacation.
- 2) In addition, in the case of the death of any of the above-named relatives, two (2) additional days shall be granted where travel (at least two hundred [200] miles one [1] way) is necessary, provided the same is approved by the department head. In the case of death of an Aunt, Uncle, Niece, or Nephew, two (2) days travel (must be at least two hundred [200] miles one [1] way) leave shall be given to attend the funeral to be deducted from the employee's sick leave, with prior approval of the department head.

Proposed Language:

Funeral Leave

- 1) A paid funeral leave of three (3) days will be granted to any probationary or permanent employee to attend the funeral of a member of his/her family. A member of his/her family shall be interpreted to mean husband, wife, son, daughter, father, mother, brother, sister, grandmother, grandfather, stepfather, stepmother, stepson, stepdaughter, and stepsiblings. The above determination of family members includes that of the employee and spouse. If additional days are needed, two (2) days may be charged to sick leave and additional days thereafter charged to vacation.
- 2) In the event of a funeral of an aunt, uncle, niece, or nephew, an employee may take two (2) days off with pay to be charged to sick leave. If additional days are needed, these days may be charged to vacation.
- 3) Two (2) additional days shall be granted for travel when the funeral occurs at least two hundred (200) miles away one way, provided the same is approved by the City. In the event of a funeral of a relative defined under subsection (1), the two days will be additional funeral leave days. In the event of a funeral of a relative defined under subsection (2), the two days will be charged to sick leave.



Attachment B: Replacement of Article 14 – Insurance and Retirement

Current language to be deleted:

ARTICLE XIV - INSURANCE AND RETIREMENT

Section 1: Health Insurance:

...

C) Insurance Committee

In the spirit of working toward a partnership between management and employees, the City has created an insurance committee that is designed to review the current plan, schedule of benefits, service, utilization, rates, and any new proposals. This committee will consist of both non-voting and voting members and the following positions included are:

NON-VOTING:

City Finance Officer (non-voting member)

Union Stewards from represented bargaining units (non-voting members)

VOTING:

Finance Officer

Two (2) employees from the Teamsters department

One (1) employee from the Electric department

One (1) employee from Public Safety (either Fire or Police)

Three (3) employees At-Large

One (1) Finance Commissioner

One (1) Department Head

This committee will work together to provide recommendations to the City Commission each fiscal year prior to the renewal of the insurance currently implemented.

Proposed language in new article:

ARTICLE XX EMPLOYEE COMMITTEES

In the spirit of working toward a partnership between management and employees, the City has established several employee committees designed to provide opportunities for involvement and contribution on relevant areas of city operations. Employee Committees may provide recommendations to the City Commission as desired, which will be taken into consideration.

The City shall have the sole discretion to form, adjust, and eliminate Employee Committees on relevant areas or topics with the requirement that the topic of insurance benefits will be covered underneath a committee. The Union will have a minimum of one employee on each Employee Committee.



Attachment C: Replacement language in Article 8 – Disciplinary Action

Current Language:

ARTICLE VIII – DISCIPLINARY ACTION

Section 2: Whenever the City determines that disciplinary action is to be imposed upon an employee, these steps shall be followed:

...

- E) A reprimand or other disciplinary action shall remain as a part of the employee's permanent record for a period of twenty-four (24) months from the last completed date of disciplinary action.

Proposed Language:

ARTICLE VIII – DISCIPLINARY ACTION

Section 2: Whenever the City determines that disciplinary action is to be imposed upon an employee, these steps shall be followed, however the City may at its discretion choose any level of discipline provided it is commensurate with the severity of the action.

...

- E) Reprimands will not be used against an employee after twenty-four (24) months from the date of the offense, as long as there are no repeated or other violations during that time. However, serious misconduct (such as theft, violence, harassment, or other major violations) may be used for future disciplinary decisions at any time. All disciplinary actions will remain in the employee's personnel file permanently, even if they are no longer active for discipline purposes.

RESOLUTION NO. 2025-32

A RESOLUTION TO ESTABLISH EMPLOYEE COMPENSATION FOR 2026

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the position, grade, wages and benefits as indicated in the resolution hereto shall be administered in 27 bi-weekly pay periods effective with the first pay period of 2026. (noting, the 27th bi-weekly pay period is due to the holiday on January 1st, 2027, and payroll would be paid on December 31st, 2026.)

Effective with the first pay period of 2026, full-time employees in sections A, B, C, D, and F will receive a 2.50% cost of living adjustment in compensation. Full time employees in section E will receive a 2.40% cost of living adjustment beginning the first pay period of 2026 as reflected in section E. Part-time (non-benefited positions), temporary and seasonal employees of the city, will receive a 3.00% cost of living adjustment beginning the first pay period of 2026.

In addition to the COLA and wage adjustments from wage study, following the approval of their department head, full-time employees are eligible for a performance- based step increase resulting in an additional 1.50%.

Grade assignments and starting wages for employees will be as follows:

SECTION A	
GRADE ASSIGNMENT FOR FULL-TIME EXEMPT DEPARTMENT HEAD POSITIONS	
<u>Administration</u>	<u>Grade</u>
City Administrator	34
<u>Finance</u>	<u>Grade</u>
Finance Officer	28
<u>Human Resources</u>	<u>Grade</u>
Human Resources Director	28
<u>Engineer & Community Development</u>	<u>Grade</u>
Engineering and Community Development Director	30
<u>Police</u>	<u>Grade</u>
Police Chief	27
<u>Fire</u>	<u>Grade</u>
Fire Chief	23
<u>Streets, Parks, Solid Waste & Recycling</u>	<u>Grade</u>
Streets, Parks, Solid Waste & Recycling Director	26
<u>Library</u>	<u>Grade</u>
Library Director	22
<u>Utilities</u>	<u>Grade</u>
Utilities Director	31
<u>Community Center</u>	<u>Grade</u>
Community Center Director	23
<u>Information Technology</u>	<u>Grade</u>
IT Director	23
<u>Communications</u>	<u>Grade</u>
Communications Director	19

SECTION B
GRADE ASSIGNMENT/SALARY FOR FULL-TIME EXEMPT POSITIONS

<u>Finance</u>	<u>Grade</u>
Deputy Finance Officer	20
<u>Parks</u>	<u>Grade</u>
Superintendent – Parks	23
<u>Electric</u>	<u>Grade</u>
Superintendent – Electric	26
<u>Utilities</u>	<u>Grade</u>
Superintendent - Plants	24
Superintendent - Distribution & Collection	24
Utility Services Coordinator	21
<u>Community Center</u>	<u>Grade</u>
Aquatics Coordinator	16

SECTION C
GRADE ASSIGNMENT FOR FULL-TIME NON-EXEMPT POSITIONS

<u>Finance</u>	<u>Grade</u>
Cashier/Finance Assistant I	12
Utility Billing Specialist/Finance Assistant II	14
Accounts Receivable Specialist/Finance Assistant II	14
Accounts Payable Specialist/Finance Assistant III	15
<u>Human Resources</u>	<u>Grade</u>
Human Resources Specialist	17
<u>Engineer & Community Development</u>	<u>Grade</u>
Building Official/Code Enforcement Officer	19
GIS/Engineer Technician	19
Engineering Technician	16
Administrative Assistant III	14
<u>Police</u>	<u>Grade</u>
Police Sergeant - Patrol	20
Police Sergeant - CID	20
Senior Police Officer	17
Police Officer	16
Administrative Assistant II	13
<u>Library</u>	<u>Grade</u>
Library Assistant III & Systems Librarian	15
Programs Coordinator	14
Library Assistant II	10
<u>Community Center</u>	<u>Grade</u>
Recreation & Intramurals Coordinator	15
Fitness Coordinator	15
Youth Coordinator	14
Fitness & Sports Enhancement Specialist	11
Service Desk Representative	11

SECTION D *
GRADE ASSIGNMENT FOR FULL-TIME NON-EXEMPT - TEAMSTERS LOCAL UNION NO.120
POSITIONS

<u>Streets, Parks, Solid Waste & Recycling</u>	<u>Grade</u>
Administrative Coordinator	18
Mechanic	15
Lead Heavy Equipment Operator	15
Heavy Equipment Operator	14
Solid Waste Operator	13
Building Maintenance Operator	16
Custodian	10
Lead Park Technician	15
Park Technician	14
Restricted Use Site & Recycling Center Operator	14
 <u>Utilities</u>	 <u>Grade</u>
Lead Distribution & Collection Operator	16
Distribution & Collection Operator II	15
Distribution & Collection Operator I	14
Distribution & Collection Operator	13
Lead Water & Wastewater Operator	16
Water & Wastewater Operator II	15
Water & Wastewater Operator I	14
Water & Wastewater Operator	13
Administrative Assistant II **	13

SECTION E *
WAGES FOR FULL-TIME NON-EXEMPT IBEW UNION POSITIONS

<u>Utilities</u>	<u>Starting Wage</u>
Lead Lineworker	\$51.01
Journey Lineworker with Electrician's License	\$48.55
Journey Lineworker without Electrician's License	\$47.81
Meter Reader	\$37.30
Lineworker Apprentice	
8 th 6 Months (90%)	\$43.03
7 th 6 Months (85%)	\$40.64
6 th 6 Months (80%)	\$38.25
5 th 6 Months (75%)	\$35.86
4 th 6 Months (70%)	\$33.47
3 rd 6 Months (65%)	\$31.08
2 nd 6 Months (60%)	\$28.69
1 st 6 Months (55%)	\$26.30
 Administrative Assistant II	 <u>Starting Wage</u> \$24.12

* In the case of impasse or failure to approve a Collective Bargaining Agreement in either the Teamsters or IBEW unions, employees who are not members of that union may receive increases to wages shown in Section D or Section E.

** The Administrative Assistant position is listed in section D and E and is eligible to be a member of up to one union while working in the capacity of the utility departments.

SECTION F
WAGES FOR PART-TIME WITH BENEFITS NON-EXEMPT POSITIONS

Library
Library Assistant I

Starting Wage
\$21.36

* The Library Assistant I position is only eligible for pro-rated vacation based on hours worked, 6% SDRS, and SDRS Supplemental Program.

Dated this 15th day of December 2025.

CITY OF MADISON

Mayor

ATTEST: _____
Finance Officer



2026 Full-Time Benefits AT A GLANCE

Effective December 14, 2025 for hours/earnings paid
in the calendar year of 2026.

The City of Madison values our benefits as an essential part of supporting your well-being, growth, and work-life balance. Our comprehensive benefits package is designed to empower you with the resources, flexibility, and security you need to thrive both personally and professionally.

VACATION

Full-time employees of the City of Madison shall accrue vacation according to the following schedule:

Date of Hire through Year 5	80 hours per year (≈3.08 hours per pay period)
Year 6 through Year 13	120 hours per year (≈4.62 hours per pay period)
Year 14 through Year 25	160 hours per year (≈6.15 hours per pay period)
Year 26 and thereafter	200 hours per year (≈7.69 hours per pay period)

**Department Head Positions – previous experience may be considered and reflected in the appropriate vacation tier.*

The maximum number of hours of vacation that an employee may accumulate shall be limited to an amount equal to two times the employee's current annual accrual rate. Accrued hours are not transferable and cannot be taken in lieu of compensation. Vacation tier changes adjust at completion of 60 months, 156 months and 300 months of employment.

SICK LEAVE

Full-time employees will receive 13 days of sick leave per year with no cap on accrual.

Upon resignation or retirement, 25% of unused sick leave will be reimbursed to the employee through the required payout process applicable. Full-time employees hired after January 1, 2005, will be reimbursed 25% of unused sick leave up to a total of 480 hours. Accrued hours are not transferable and cannot be taken in lieu of compensation.

Full-time Department Head employees will receive 13 days of sick leave per year with no cap on accrual.

Upon resignation or retirement, 30% of unused sick leave will be reimbursed to the employee through the required payout process applicable. Full-time employees hired after January 1, 2005, will be reimbursed 30% of unused sick leave up to a total of 576 hours. Accrued hours are not transferable and cannot be taken in lieu of compensation.

Any amount paid before resignation or retirement through an SDRS option, shall be deducted from the lump sum balance due at the time of resignation or retirement.

PERSONAL LEAVE DAY

Full-time employees will receive 24 hours of personal leave to be used throughout the calendar year.

This leave can be taken in hours or up to a full day per the supervisor's approval to ensure adequate staffing for the department.

These leave hours are not paid upon separation, cannot be carried over and cannot be transferred to another employee. If not used by the last day of the calendar year, the employee will lose the remaining hours in their personal leave bank.

VOLUNTEER LEAVE PAY

Full-time employees will receive 16 hours of volunteer leave to be used throughout the calendar year.

This leave can be taken in hours or up to a full day per the supervisor's approval to ensure adequate staffing for the department.

These leave hours are not paid upon separation, cannot be carried over and cannot be transferred to another employee. If not used by the last day of the calendar year, the employee will lose the remaining hours in their volunteer leave bank.



2026 Full-Time Benefits AT A GLANCE

Effective December 14, 2025 for hours/earnings paid
in the calendar year of 2026.

HOLIDAY PAY

Each full-time employee receives 13 paid holidays per calendar year.

The actual number of paid holidays can vary per payroll year, depending on the payroll schedule. Holidays are paid out based on shift scheduled.

Observed holidays in order are: Christmas Eve, Christmas Day, New Year's Day, Martin Luther King Day, President's Day, Good Friday, Memorial Day, Juneteenth, Independence Day, Labor Day, Native American Day, Veterans Day, Thanksgiving Day.

HEALTH INSURANCE

Health insurance is offered to full-time employees through the Health Pool of South Dakota.

The City of Madison pays a portion of the premium and the employee is responsible for the remaining balance. The employee's balance is deducted from the first and second payroll of every month for health insurance. *See Benefit Plan Summary and the Benefit Contribution and Insurance Rates sheet for more information.*

DENTAL INSURANCE

Dental insurance is offered to full-time employees through Delta Dental.

The City of Madison pays a portion of the premium and the employee is responsible for the remaining balance. The employee's balance is deducted from the first payroll of every month for dental insurance. *See Benefit Plan Summary and the Benefit Contribution and Insurance Rates sheet for more information.*

VISION INSURANCE

Vision insurance is offered to full-time employees through Optilegra.

The employee is responsible for the full premium and is deducted from the first payroll of every month for vision insurance. *See Benefit Plan Summary and the Benefit Contribution and Insurance Rates sheet for more information.*

LIFE INSURANCE

A term life insurance policy in the amount of \$30,000.00 is offered and paid by the City of Madison for each full-time employee through the Health Pool of SD. The plan is through Madison National Life Insurance Company Inc. The employee has the option of enrolling in a dependent life insurance policy for their spouse (\$10,000.00) and dependent children (\$10,000.00 each, up to 5 children). The cost is \$2.50 per month, which is deducted from the first and second payroll of each month.

SOUTH DAKOTA RETIREMENT SYSTEM – REQUIRED CONTRIBUTION BY EMPLOYEE

The City of Madison deducts and matches 6% of each employee's gross salary each payroll (8% for public safety employees per SDRS requirements) and submits it to the South Dakota Retirement System (SDRS). Additional monies can also be deposited into the plan through payroll deduction. Disability and death benefits are also a benefit of SDRS.

SOUTH DAKOTA SUPPLEMENTAL RETIREMENT PROGRAM – OPTIONAL CONTRIBUTION BY EMPLOYEE

Full-time employees can deduct from their check contributions into a Tax Deferred and/or ROTH 457 plan.

These contributions are put into a employee's supplemental retirement account. If an employee contributes the minimum per SDSRP policy, the city will contribute up to \$27.00 per pay period into a Tax Deferred account, per SDSRP policy.



2026 Full-Time Benefits AT A GLANCE

Effective December 14, 2025 for hours/earnings paid
in the calendar year of 2026.

FLEXIBLE SPENDING ACCOUNT & DEPENDENT CARE ACCOUNT

Employees may enroll in unreimbursed medical and/or dependent care options of the City of Madison's cafeteria plan. This elected amount is deducted from each payroll. The plan year runs from January 1st – December 31st of each year.

BOOT/CLOTHING ALLOWANCE

Employees will receive an annual allowance on Payroll #1 of the calendar year in the amount of \$200.00 to be used towards any boots or clothing of their choice.

WELLNESS BENEFIT

Employees who are members of the Community Center or local fitness center receive a wellness benefit of \$10.00 each payroll. Any employee who chooses to be a member of the Community Center, will receive a 15% discount on their annual membership.

Community Center employees receive a single only membership paid at 100%; however, do not receive the wellness benefit each payroll if they are electing the paid single membership.

SHIFT DIFFERENTIAL

Police department employees will receive a shift differential of \$2.00 per hour (weekday night and weekend night, 5pm-7am) and \$1.50 per hour (weekend day, 7am-5pm).

Water Purification and Water Treatment department employees will receive a shift differential of \$1.50 per hour on weekends (Saturday and Sunday, 7am-4pm).

CERTIFICATION BENEFIT

Police department employees will be eligible to receive an additional step for eligible certifications as approved by the Police Chief and City Administrator, with a maximum of two steps (3.0%). This applies to SD Certified Law Enforcement Senior and Police Officers only.

SEVERANCE PAY

Upon a full-time employee's retirement/resignation and following 5 years of continuous full-time employment, City of Madison employees are paid severance pay equal to one week for each 5 years of service.

RETIREE HEALTH & DENTAL INSURANCE

Employee's are able to retain group health and dental coverage by paying 100% of each monthly premium if eligible for SDRS benefits and has 15 years of cumulative service. Coverage may continue until the retiree reaches the age of 65 or otherwise qualifies for the Medicare Program.



2026 Benefit Contribution and Insurance Rates

Effective 1/1/2026 thru 12/31/2026

The City of Madison is offering two health insurance plans in 2026 to provide our employees flexibility in the cost and coverage to fit their individualized needs.

Health Insurance

Deducted 1st & 2nd Payroll of each month

Health Pool of South Dakota (Group #H303) - Wellmark HP1000

Plan	Monthly Premium	Per Month		Per Payroll	
		City Contribution	Employee Deduction	City Contribution	Employee Deduction
Single	\$929.94	\$929.94	\$0.00	\$464.97	\$0.00
Employee + One	\$1679.48	\$1341.66	\$337.82	\$670.83	\$168.91
Employee + Children	\$1894.08	\$1497.62	\$396.46	\$748.81	\$198.23
Family	\$2156.44	\$1572.38	\$584.06	\$786.19	\$292.03

The HP1000 has a deductible of \$1000 for Single & \$2000 for Family. 80%/20% Coinsurance. Out of Pocket Maximum of \$2000 for Single & \$4000 for Family. The City of Madison covers 100% of the Single premium, 79.89% of the Employee Plus 1 premium, 79.07% of the Employee Plus Children premium, and 72.92% of the Family premium. Plan covers dependents who are married or unmarried up to age 26. See plan for more information on full-time student coverage.

Health Insurance

Deducted 1st & 2nd Payroll of each month

Health Pool of South Dakota (Group #H303) - Wellmark HP2000

Plan	Monthly Premium	Per Month		Per Payroll	
		City Contribution	Employee Deduction	City Contribution	Employee Deduction
Single	\$882.40	\$882.40	\$0.00	\$441.20	\$0.00
Employee + One	\$1568.28	\$1333.04	\$235.24	\$666.52	\$117.62
Employee + Children	\$1808.28	\$1537.04	\$271.24	\$768.52	\$135.62
Family	\$2019.34	\$1716.44	\$302.90	\$858.22	\$151.45

The HP2000 has a deductible of \$2000 for Single & \$4000 for Family. 80%/20% Coinsurance. Out of Pocket Maximum of \$4000 for Single & \$8000 for Family. The City of Madison covers 100% of the Single premium, and 85% of the Employee Plus 1, Employee Plus Children and Family premiums. Plan covers dependents who are married or unmarried up to age 26. See plan for more information on full-time student coverage.





2026 Benefit Contribution and Insurance Rates

Effective 1/1/2026 thru 12/31/2026



Dental Insurance

Deducted 1st Payroll of each month

Delta Dental (Group #2334)

Plan	Monthly Premium	Per Month	
		City Contribution	Employee Deduction
Single	\$57.80	\$39.26	\$18.54
Employee + One	\$112.92	\$73.02	\$39.90
Employee + Children	\$113.38	\$73.33	\$40.05
Family	\$165.38	\$96.23	\$69.15

DEPENDENT CHILDREN

Can be covered up to

AGE 19

See Plan Description for more information on full-time student coverage.



Vision Insurance

Deducted 1st Payroll of each month

Optilegra - Gold 160

Plan	Monthly Premium	Per Month	
		City Contribution	Employee Deduction
Single	\$14.38	\$0.00	\$14.38
Employee + One	\$23.01	\$0.00	\$23.01
Employee + Children	\$23.50	\$0.00	\$23.50
Family	\$37.88	\$0.00	\$37.88

DEPENDENT CHILDREN

Can be covered up to

AGE 26

See Plan Description for more information on full-time student coverage.



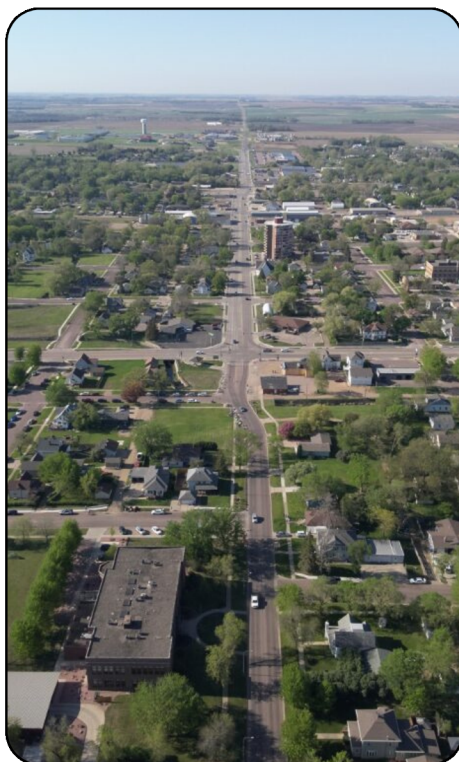
**QUALIFYING
LIFE EVENTS**

When life changes, your health plan may need to as well.
You can add or change your plan outside of the annual enrollment period with a qualifying life event. Contact Human Resources for more information.



2026 Benefit Contribution and Insurance Rates

Effective 1/1/2026 thru 12/31/2026



SD Retirement System

Employees contribute each Payroll

- 6% - Class A positions
- 8% - Class B positions (Fire & Police)
- City matches employee SDRS contribution.
- SDRS rules and policies apply.

Life Insurance

Paid by City on 1st & 2nd Payroll of each month

- EMPLOYEE (\$30,000 coverage)
- City Pays \$3.15 per payroll.

SD Supplemental Retirement Program (SRP)

Voluntary for employees to contribute each Payroll

- Employee is required to contribute a minimum of \$25.00 per pay period per SRP requirements.
- Employer contribution maximum of up to \$27.00 per pay period per policy and union contract.
- SRP rules and policies apply.

Dependent Life Insurance

Deducted 1st & 2nd Payroll of each month

- Employee Pays \$1.25 per payroll.
- Coverage options:
 - ~ SPOUSE (\$10,000 coverage)
 - ~ CHILDREN (\$10,000 coverage)
14 DAYS TO AGE 26
LESS THAN 14 DAYS (No coverage)

Note: Children over the age of 26 (unless they have certain disabilities), and married children are no longer considered dependents.

ASSIGNMENT

THIS ASSIGNMENT dated December ___, 2025, is entered into between Sodak OZ Holdings, LLC, a South Dakota limited liability company (“**Developer**”) and First Savings Bank (“**Bank**”).

RECITALS

A. On July 7th, 2025, the City Commission of the City of Madison adopted Resolution No. 2025-13 creating Tax Increment District Number 7 (“**TID #**”) and approving a Project Plan for development of real property owned by Developer.

B. Developer and the City of Madison (the “**City**”) are parties to that certain Development Agreement **dated** ___, concerning TID #7 (the “**Development Agreement**”), pursuant to which Developer may receive certain Tax Increment Revenues from TID #7, as more fully set forth in the Development Agreement.

C. The Development Agreement provides that the Developer may assign its rights to payments to be made to it under the Development Agreement for the purpose of financing its obligations related to the Development Agreement.

D. As a condition to providing a loan to Developer, Bank requires that Developer assign, transfer and set over to Bank, and Developer agrees to assign, transfer and set over to Bank, all of Developer’s right, title and interest in and to any and all disbursements of Tax Increment Revenues that may be or hereafter become payable to Developer under the Development Agreement.

E. This Assignment is made to induce Bank to make a loan to Developer.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Assignment to Bank; Directive to the City.** Developer hereby unconditionally assigns to Bank all of Developer’s right, title and interest in and to any and all disbursements of Tax Increment Revenues that may be or hereafter become payable Developer under the Development Agreement (collectively, the “**Disbursements**”), including (without limitation) the right to receive all Disbursements. Without limiting the foregoing, this is a present, absolute, and irrevocable transfer and assignment by Developer to Bank of all Tax Increment Revenues which are collected by Lake County and transmitted to the City from TID #7 and which are or will become due to Developer upon certification and verification of Project Costs as provided in the Development Agreement.

Developer hereby authorizes and directs the City to make all Disbursements directly to Bank following written notice from Bank of a default by Developer under either the Development Agreement or the Loan Agreement **dated** ___ **between** Developer and Bank, unless and until such time as Bank releases its interest in the Disbursements via written notice to the City. Without limiting the foregoing, Developer agrees to immediately provide written notice of this assignment

to the City (including a copy of this Agreement), it being acknowledged that the assignment herein will not be effective as against the City unless and until the City has actually received such written notice and acknowledged the same by signing below.

2. **Realization of Value.** A default by Developer under the Development Agreement will constitute a default under the Loan Agreement **dated** **between** Developer and Bank. Bank will have the right, but no obligation, to cure any default by Developer under the Development Agreement (within the applicable time periods for cure provided in the Development Agreement, if any) to protect Bank's interest in the Disbursements. Bank, in the name of Developer or otherwise, will have the authority, but is not required, to take any action which Bank may deem necessary or desirable in order to realize on the value of the Disbursements, including, without limitation, the power to exercise or perform Developer's rights and obligations under the Development Agreement; *provided* that nothing herein may be construed as waiving or otherwise limiting any of the City's rights or remedies under or in connection with the Development Agreement. Developer agrees to sign and deliver to Bank any instrument, document, assignment or other writing that may be reasonably necessary or convenient for Bank to carry out the terms of this Assignment, or to facilitate the realization of the value of the Disbursements.

3. **Acknowledgements by Bank.** Bank hereby acknowledges and agrees that:

- a. Bank has received a copy of the complete Development Agreement (including all exhibits thereto) and has read and understands the same;
- b. Notwithstanding the assignment herein, Bank's right to Disbursements is and shall be limited by and subject to all of the terms and conditions of the Development Agreement and (as incorporated therein) the Project Plan; and
- c. The City is assuming no liability for the payment of any indebtedness now or hereafter owed by Developer to Bank.

4. **Developer's Representations and Warranties.** Developer makes the following representations and warranties to Bank:

- a. This Assignment is a legal, valid, and binding obligation of Developer.
- b. The Development Agreement has been duly authorized, signed and delivered by Developer and constitutes the legal, valid, and binding obligation of Developer.
- c. Developer has the power and authority to enter into this Assignment, to presently assign all of its right to reimbursement to Bank and to grant the security interest and collaterally assign all of its right, title and interest in, to and under the Development Agreement.
- d. Developer has not otherwise pledged, assigned or granted a security interest in its right, title and interest in, to and under the Development Agreement.

e. The Development Agreement will not be amended or modified without Bank's or the City's prior written approval.

5. **Indemnification.** Developer agrees to indemnify, defend, and hold Bank and the City harmless from any and all claims, demands, costs, expenses, and causes of action alleging or related to a breach of Developer's obligations under the Development Agreement, including (without limitation) indemnification of Bank for all attorneys' fees and expenses incurred by Bank in the defense or settlement of any claim or action made by the City asserting a breach of Developer's obligations under the Development Agreement.

6. **Loan Information.** Developer hereby authorizes and directs Bank to provide the City with such information and reports regarding Developer's financing as the City (through its Finance Officer or otherwise) may request from time-to-time, including (without limitation) balance and payment information.

6. **Successors and Assigns.** All covenants, representations, warranties and agreements of Developer contained in this Assignment will bind Developer and its successors and assigns. The rights and privileges of Bank under this Assignment will inure to the benefit of its successors, assigns, and participants. The City shall constitute a third-party beneficiary of the provisions of Section 5 of this Assignment.

7. **Governing Law.** This Assignment will be governed by and construed in accordance with the laws of the State of South Dakota.

8. **Miscellaneous Terms.** Time is of the essence with respect to the parties' obligations under this Assignment. Any amendment to this Assignment must be in writing and signed by all parties. This Assignment may be signed in counterparts, each of which will be deemed an original, and all of which, taken together, will constitute one agreement.

DEVELOPER: Sodak OZ Holdings, LLC

By _____

Address:

BANK: First Savings Bank

By _____

Address:

Acknowledgement

The City of Madison hereby acknowledges that it has received a copy of the foregoing Assignment and that Developer has a right to assign its right to receive distributions of Tax Increment Revenues upon and subject to the terms and conditions set forth in the Development Agreement.

CITY OF MADISON

By _____, City Attorney _____
Date _____

ATTEST:

Amy Sad, Finance Officer

SEAL

[City's Acknowledgement Page to Assignment Between Developer,
and Bank regarding Tax Increment District Number 7]

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is entered into as of this ____ day of _____ 2025, (this “Agreement”) by and between the **CITY OF MADISON** a South Dakota municipal corporation (“City”), and **SODAK OZ HOLDINGS, LLC**, a South Dakota limited liability company (Developer”);

WITNESSETH:

WHEREAS, City has an interest in promoting economic development by constructing affordable housing and is authorized pursuant to SDCL Chapter 11-9 (the “Act”) to create tax increment districts for such purposes; and;

WHEREAS, in order to accelerate the development of certain property that would not otherwise occur solely through private investment in the reasonably foreseeable future, the City Commission on July 7th, 2025, adopted a Resolution a copy of which is attached hereto as *Exhibit A*, City created Tax Increment District Number 7 (the “TID” or “District”) encompassing the following described real property:

- Lot 3 of Southridge Square First Addition to the City of Madison, in the County of Lake, South Dakota.

All located in the City of Madison, Lake County, South Dakota including within and adjacent rights-of-ways.

WHEREAS, the Act authorizes the expenditure of funds derived within a tax increment district for the payment of expenditures made or estimated to be made and monetary obligations incurred or estimated to be incurred by the City establishing the TID, for grants, costs of public works or public improvements in the TID, plus other costs incidental to those expenditures and obligations, consistent with the project plan of the TID, which expenditures and monetary obligations constitute project costs, as defined in Section 11-9-14 of the Act; and

WHEREAS, on July 7th, 2025, the City Commission adopted Resolution #2025-13 to approve the Tax Increment Project Plan, a copy of which is attached hereto as *Exhibit B* providing for development of the TID Property (the “Project Plan”), which included the payment of a grant in an amount not to exceed \$1,080,261 toward certain costs of development as described in the Project Plan.

WHEREAS, the Developer has established a new development entity, Sodak OZ Holdings, LLC, to replace the previously identified entity, Sodak Properties, LLC; and

WHEREAS, this change reflects only a change in entity designation, with no material modifications to the project scope, terms, or ownership interests.

NOW, THEREFORE, in consideration of the mutual promises, covenants, obligations, apportionment and benefits contained in this Agreement, City and Developer hereby agree as follows:

Section 1. Definitions

Unless the context otherwise requires, the terms used in this Agreement will have the meanings set forth in this Section. If not defined in this Agreement, capitalized terms will have the meaning given to them in the Project Plan.

“Act” means SDCL Chapter 11-9, as may be amended from time to time.

“Base Revenues” means the taxes collected on the Base Value.

“Base Value” means the value of the TID Property at the time of the creation of the District as certified by the South Dakota Secretary of Revenue.

“Construction Schedule” means the timetable for constructing the improvements specified in Section 2.08.

“Developer” means Sodak OZ Holdings, LLC

“Grant” means an amount not to exceed \$1,080,261.00 in total, payable through the use of Tax Increment Revenues.

“Project” means the construction of public improvement (water, sewer, street, drainage) for the affordable housing improvements

“Project Costs” means the approximate cost of construction costs associated with the Project.

“Project Plan” means the Project Plan attached as *Exhibit B*.

“Public Improvements” means all improvements made by Sodak OZ Holdings, LLC as estimated and written into the Project Plan.

“Tax Increment Revenues” means all tax revenues of the TID Property in excess of the Base Revenues.

“TID” will have the meaning specified in the recitals.

“TID Property” will have the meaning set forth in the recitals.

Words used herein in the singular, where the context so permits, also includes the plural and vice versa, unless otherwise specified. Unless otherwise specified, the terms used in this Agreement found in the Act shall have the meaning set forth in the Act.

Section 2. Obligation and Representations

2.01 Obligation. CITY agrees to pay to DEVELOPER Available Tax Increment Funds revenues it receives for the District, the total of which shall not exceed \$1,080,261.00 together with imputed interest.

2.02 Annual Appropriation. This Agreement does NOT constitute a debt within the meaning of article 13 section 4 of the South Dakota Constitution. No obligation is created beyond the fiscal year in which an annual appropriation has been made.

2.03 Grant. Subject to annual appropriation the right to receive the Available Tax Increment Funds referred to in Section 2.01 is a grant under the Act. The Grant is a personal property right vested with DEVELOPER on the date of execution of this Agreement. The Grant shall constitute a specific project cost under the Act and is deemed made on the date of the execution of this Agreement.

2.04 No Certificated Tax Increment Revenue Bonds. City will have no obligations to the Developer except as set forth in this Agreement and will not issue any certificated tax increment revenue bonds to evidence such obligations.

2.05 Developer's Representations. Developer represents to City as follows:

- (a) Developer is a limited liability company organized in the State of South Dakota
- (b) Developer has the authority to enter into this Agreement and to perform the requirements of this Agreement; and
- (c) Developer's performance under this Agreement will not violate any applicable judgment, order, law or regulation; and
- (d) Developer's performance under this Agreement will not result in the creation of any claim against City for money or performance, any lien, charge, encumbrance or security interest upon any asset of City; and
- (e) Developer will have sufficient capital to perform all of its obligations under this Agreement, and Developer owns the TID Property.
- (f) Developer waives its right to participate in the City or County's Property Tax Reduction Program, if applicable, as described in the Project Plan and Section 3.01 (a).
- (g) Developer recognizes and accepts South Dakota Codified Law § 13-13-10.10.

13-13-10.9. Tax increment financing districts created for industrial, economic development, or affordable housing purposes after June 30, 2018.

The provisions of subdivision 10-12-44(1) that require the county auditor to raise additional revenue from real property taxes for the general fund and special education fund of any school district located in a tax increment financing district and the provisions of § 13-13-10.8, do not apply to any tax increment financing district created for industrial, economic development, or affordable housing purposes, as those terms are defined in § 13-13-10.10.

For the purposes of § 13-13-10.9, affordable housing is only those tax increment financing districts where:

(1) The original selling price of any house in the District will be at or below the first-time homebuyer purchase price limit being used by the South Dakota Housing Development Authority as of the date the house is sold; or

(2) The monthly rental rate of all multifamily housing units in the District will be at or below the calculated rent for the state's eighty percent area median income, being used by the South Dakota Housing Development Authority, as of the date the District is created, for a minimum of five years following the date of first occupancy.

This section applies to tax increment financing districts created after June 30, 2018.

2.06 Approvals. The City's obligations pursuant to this Agreement are specifically conditioned upon the resolution and ordinances implementing TIF #7 becoming effective.

2.07 Payment of Tax Increment Revenues. The City will make eligible payments due to Developer within a reasonable time, not to exceed 45 days from the County's receipt of real estate tax payments semi-annually.

2.08 Continued Cooperation. City and Developer represent each to the other that they will make reasonable efforts to expedite the subject matters hereof and acknowledge that the successful performance of this Agreement requires its continued cooperation.

2.09 No General Obligation of the City. City obligations hereunder are limited obligations payable solely out of the Tax Increment Revenues and are not payable from any other revenues of City, nor a charge against its general taxing power. Developer shall bear all risks that such Tax Increment Revenues may be insufficient to pay the maximum amounts specified in Section 2.01.

2.10 Assignment of Payments. Upon written notice to the City, Developer may assign its rights to payments hereunder for the purposes of financing its obligations related to this Agreement, but Developer's right to such payments is subject to the other limitations of this Agreement. Any such assignment shall be made in accordance with an Assignment Agreement, the form of which is attached hereto as *Exhibit C* and is incorporated herein by this reference.

Section 3. The Project.

3.01 The Project. The Project will be comprised of real estate, and the design, construction, assembly, and installation of the improvements described in the Project Plan.

(a) Description of the Project. The Project consists of \$1,080,261 improvements to the property.

(b) Completion of the Project Improvements: Developer shall diligently work to complete the respective portions of the project by 2026.

The time periods set forth above in this Section 3.01(b) shall be extended by reason of delays caused by Force Majeure. As used herein, "Force Majeure" shall refer to delays caused by or occasioned by labor disputes, acts of God, moratoriums, war, riots, insurrections, civil commotion, pandemics, a general inability to obtain labor or materials, fire, unusual delay in transportation, severe and adverse weather conditions preventing performance of work, unavoidable casualties, failures to act by any governmental entity or their respective agents or employees, governmental restrictions, regulations or controls including the inability to obtain the necessary governmental approvals and/or permits necessary to complete any portion of the Project.

3.02 Construction of Public Infrastructure Improvements. The Developer will cause Public Improvements to be constructed by the Developer through private contract. The City will not bid nor contract any improvement described in this Agreement. The Developer will make sure all improvements are to the City of Madison's standards and specifications.

3.03 Financing of the Project and Improvements. Payment of all Project Costs will be made from Developer's own capital and from other financing sources obtained solely by Developer. Developer may use any or part of the TID Property as collateral for such loans as required to pay Project Costs.

Section 4. Developer Covenants

4.01 Duties and Obligations of Developer. Developer hereby agrees to: (a) complete, or cause to be completed, all improvements described in the Project Plan and this Agreement, (b) provide, or cause to be provided, all materials, labor, and services for completing the Project, (c) obtain or cause to be obtained, all necessary permits and approvals from City and/or all other governmental agencies having jurisdiction over the construction of improvements to the TID Property, (d) provide the City all necessary information,

including documentation of actual expenses incurred for Reimbursable Project Costs, and (e) submit written annual reports, starting no later than thirty (30) days following the end of the fiscal year in which the TID was created detailing the amount of Tax Increment Revenues.

4.02 Insurance. Developer will maintain a policy of liability insurance, acceptable to City, with liability limits of at least One Million Dollars (\$1,000,000) that names City as an additional insured. Such a policy must remain in effect until City of Madison accepts the improvements for public use and maintenance. City will provide no insurance for the Project.

4.03 Indemnification. Developer will without a determination of liability or payment being made FULLY INDEMNIFY, DEFEND, and HOLD HARMLESS, City (and the elected officials, employees, officers, directors, and representatives of City) from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal injury or death and property damage, made upon City directly or indirectly arising out of, resulting from or related to Developer's negligence, willful misconduct or criminal conduct in Developer's activities under this Agreement, including any such acts or omissions of Developer, its Members, Managers, any agent, officer, director, representative, employee, consultant or subconsultants of Developer, and their respective officers, agents, employees, directors and representatives while in the exercise or performance of the rights or duties under this Agreement, all without, however, waiving any governmental immunity available to City under South Dakota law and without waiving any defenses of the parties under South Dakota law. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Developer will promptly advise City in writing of any claim or demand against City related to or arising out of Developer's activities under this Agreement and will see to the investigation and defense of such claim or demand at Developer's cost to the extent required in this paragraph. City will have the right, at its option and expense, to participate in such defense with attorneys of its choice, without relieving Developer of any of its obligations under this paragraph.

4.04 Liability. Developer will be solely responsible for compensation and taxes payable to any employee or contractor of Developer, and none of Developer's employees or contractors will be deemed to be employees or contractors of City. No elected official, director, officer, employee, representative or agent of City shall be personally responsible for any liability arising out of or resulting from this Agreement.

4.05 Taxes & Licenses. Developer will pay, on or before their respective due dates, to the appropriate collecting authority all Federal, State, and local taxes and fees that are now or may hereafter be levied upon the TID Property or upon Developer or upon the business conducted on the TID Property, or upon any of Developer's property used in connection therewith, including employment taxes; and Developer shall maintain in current status all federal State, and local licenses and permits required for the operation of the business conducted by Developer.

4.06 Examination of Records. Developer will allow City to conduct examinations and copy, during regular business hours and following notice to Developer by City, of the books and records related to this Agreement no matter where books and records are located.

Section 5. Term and Termination

5.01 Term. The term of this Agreement shall commence on the date the resolution or ordinance approving this Agreement becomes effective and end on the date which is the *earliest* to occur of the following, at which time City's obligations hereunder will be deemed fully discharged:

- (i) the date on which the amount payable under Section 2.01 has been paid in full to Developer;
or
- (ii) the date this Agreement is terminated as provided in Section 5.02; or
- (iii) the 20th anniversary of the year of the creation of the TID.

5.02 Default and Termination. If Developer fails to commence and complete construction substantially in accordance with the construction schedule detailed in Section 3.01(b) above, City may terminate this Agreement if Developer does not fully cure its failure within sixty (60) calendar days after receiving written notice from City requesting the failure be cured. If the Agreement is terminated as set forth in this Section, City's obligations under this Agreement will be deemed fully discharged.

Section 6. Miscellaneous

6.01 Non-Waiver. Provisions of this Agreement may be waived only in writing. No course of dealing on the part of City, or Developer nor any failure or delay by City or Developer in exercising any right, power, or privilege under this Agreement shall operate as a waiver of any right, power or privilege owing under this Agreement.

6.02 Entire Agreement. This Agreement embodies the final and entire agreement between the parties hereto concerning the subject matter herein. The Exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that if there is a conflict between any such Exhibit and a provision of this Agreement, the provision of this Agreement will control.

6.03 Amendments. All amendments to this Agreement and the Project Plan may only be made in a writing executed by City and Developer, after obtaining all necessary approvals.

6.04 Severability. If any clause or provision of this Agreement is held invalid or unenforceable, such holding will not invalidate or render unenforceable any other provision hereof.

6.05 Venue and Governing Law. This Agreement shall be construed under and in accordance with the laws of the state of South Dakota. Any legal action or proceeding brought or maintained, directly or indirectly, as a result of this Agreement shall be heard and determined in Lake County, South Dakota.

6.06 Notice. Any notice sent under this Agreement shall be written and mailed with sufficient postage, sent by certified mail, return receipt requested, documented facsimile or delivered personally to an officer of the receiving party at the following addresses:

City

City of Madison
503 S Highland Ave
Madison, SD 57042

Developer

Sodak OZ Holdings, LLC
828 Headly Ave STE B
Lake Norden, SD 57248

Any of the above parties may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications may be sent.

6.08 Captions. Captions used herein are only for the convenience of reference and shall not be construed to have any effect or meaning as to the agreement between the parties hereto.

IN WITNESS THEREOF, the parties hereto have caused this instrument to be duly executed as of the day and year first written above.

City of Madison

ATTEST:

Roy Lindsay, Mayor

Amy Sad, City Finance Officer

Resident Attorney

Sodak OZ Holdings, LLC

By:

Its:

EXHIBIT A
Boundary Resolution

Project Plan

EXHIBIT B

Assignment Agreement

EXHIBIT C

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made and entered into this ____ day of _____, 2025, by and between the City of Madison, State of South Dakota, a Municipal Corporation (the “Employer”), and Jameson Berreth, City Administrator (the “Employee”) as follows:

WHEREAS, Employer desires to continue to employ the services of Jameson Berreth as City Administrator upon the terms and conditions set forth herein; and

WHEREAS, it is desired of the Employer to provide certain benefits, establish working conditions, and to establish certain conditions of employment; and

WHEREAS, it is the desire of the Employer to (1) secure and retain the services of Employee and to provide inducement for his to remain in such employment, (2) to make possible full work productivity by assuring Employee’s morale and peace of mind with respect to future security, and (3) to provide a just means for terminating Employee’s services at such time as he may be unable fully to discharge his duties or when Employer may otherwise desire to terminate his employ; and

WHEREAS, Employee desires to continue employment as City Administrator of the City of Madison:

NOW THEREFORE, in consideration of these mutual covenants, the parties agree as follows:

Section 1. Employment and Duties. Employer agrees to employ Jameson Berreth as its City Administrator. Employee agrees to serve as City Administrator in accordance with state statutes and City ordinances and to perform such other legally permissible and proper duties and functions as the City Commission shall from time to time assign, including, but not limited to, those described in the attached Exhibit “A” which is incorporated herein by reference.

Section 2. Term: Employee shall be considered an “at will” employee.

1. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employer to terminate the services of Employee at any time, with or without reason, subject only to the provisions set forth in this Agreement.
2. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with Employer, subject only to the provisions set forth in this Agreement.
3. Provided the Commission shall make the annual appropriations for his salary, Employee agrees to remain in the exclusive employ of Employer and neither to accept other employment nor to become employed by any other employer during his employment with the City.

Section 3. Exempt Status: It is agreed and understood that the City Administrator is an exempt employee and is not eligible for overtime under the Fair Labor Standards Act.

Section 4. Policies and Procedures: Unless otherwise provided herein, Employee shall be subject to and comply with the Policy and Personnel Manual of the City of Madison, and amendments thereto, which are incorporated herein by this reference.

Section 5. Salary: Employer agrees to pay Employee for his services an initial annual base salary payable in bi-weekly installments on every other Friday of each month unless said day is not a business day, at which time it will be payable at the immediately preceding business day. Beginning December 19, 2021, it is agreed by the Employer that any annual salary increase provided to Employee shall not be in an amount less than the average cost of living adjustment (COLA) given to other employees of Employer. Employer agrees to consider and adjust base salary and other benefits of Employee based upon a performance evaluation, provided, however, that said consideration and salary adjustment shall be solely within the discretion of the Commission, and shall be merit based. Any such merit increase may be in addition to the cost-of-living adjustment referred to herein. Performance evaluations will be conducted annually in the month of December.

Section 6. Vacation Time and Sick Leave: The Employee will annually have 20 days of vacation time and accrue 13 days of sick time. The vacation time shall not be able to be accrued or paid out at any time. Vacation time shall not carry over to the next year unless permitted by the Mayor at his or her own discretion. Employee's 13 days of sick time shall be allowed to accrue and carry over each year if unused but shall not be paid out at any time or for any reason. Sick time will accrue at 4.00 hours per pay period, in accordance with policy of other employees, and start accruing with an effective date of signed contract.

Section 7. Pension Plan: Employer shall contribute to the South Dakota State Retirement Plan as required by State law for Employee.

Section 8. Holidays: Employer shall provide Employee the same holidays as enjoyed by other full-time employees and in accordance with the City of Madison's personnel leave policy or any holiday provided for all other employees of the Employer.

Section 9. Insurance & Benefits: The Employer shall provide health, dental, life, disability, and other insurance coverages consistent with general employee benefits.

Section 10. Residency: The Employer requires that the City Administrator reside within the City.

Section 11. Automobile: No automobile will be provided by the Employer for "business-related travel. In the event the Employee uses his personal vehicle for City use, Employee will be reimbursed state rate mileage.

Section 12. Personal cell phone: Employer will provide a work cell phone to Employee which shall be used for business-related work. It is understood that the Employee's cell phone number will not be made available to the general public.

Section 13. Hours of Work: It is understood that the position of City Administrator requires time outside the normal office hours on business for the Employer. It is understood by the Employee that additional compensation and compensatory time shall not be allowed for such additional expenditures of time. It is further understood that the Employee shall be allowed to establish an appropriate work schedule in consideration of time expenditures outside of normal working hours. It is anticipated that the Employee shall devote at least 40 hours per week to City business.

Section 14. Termination and Severance Pay:

1. In the event Employee is terminated for any reason other than gross misconduct by the Commission and at which time the Employee is willing and able to perform his duties under this Agreement, then in that event employer agrees to pay Employee a lump sum cash payment equal to six (6) months' salary and to continue to provide and pay for the benefits set forth in Section 9 for a period of ninety (90) days following termination. However, that in the event Employee is terminated because of his conviction for an illegal act involving personal gain to Employee, or malfeasance of performance by Employee, or gross misconduct, Employer shall have no obligation to pay the aggregate severance sum designated in this paragraph or any other amount except as set out in this Agreement.
2. In the event the Employee voluntarily resigns his position with Employer, Employee shall give Employer thirty (30) days' notice in advance, unless parties agree otherwise. The Employee shall not be entitled to any severance payments if he voluntarily resigns his position.

Section 15. Outside Activities: The City Administrator shall not engage in teaching, consulting, or other non-City-connected business without the prior approval of the City Commission.

Section 16. No reduction in benefits: The Employer shall not at any time during the term of this Agreement reduce the salary, compensation or other financial benefits of the City Administrator, except to the degree of such a reduction which is applicable across the board for all other employees of the Employer.

Section 17. Dues, Conferences, and Subscriptions:

- A. Employer agrees to budget and to pay for the professional dues and subscriptions of Employee as the Commission determines to be necessary for his continuation and full participation in national, regional, state and local associations and organizations necessary and desirable for his continued professional participation, growth and advancement and for the good of the Employer.
- B. Within budget considerations and Commission approval, the Employer hereby agrees to budget and pay for travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of the City Administrator and adequately pursue necessary official functions for the City including, but not limited to the ICMA annual conference, state league of municipalities, and such other national, regional, state and local governmental groups and committees for the good of the City.

Section 18. Civic Club Membership: Employer recognizes the desirability of representation in and before local civic and other organizations. Employee is authorized and encouraged to become a member of such civic clubs or organizations at Employer's expense as approved by the City Commission.

Section 19. Indemnification: Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as City Administrator absent gross negligence or willful or wanton conduct, in which case, Employer will not indemnify or defend Employee. Employer may compromise and settle such claim and pay the amount of any settlement or judgment rendered thereon.

The Employee may request and the Employer shall not unreasonably refuse to provide legal representation at Employer's expense and Employer may not unreasonably withhold approval. It is anticipated legal representation will be provided by employer's insurer. Legal representation, provided by Employer for Employee, shall extend until a final determination of the legal action including any appeals brought by either party.

Absent gross negligence or willful or wanton conduct, the Employer shall indemnify Employee against any and all losses, damages, judgments, interest, settlements, fines, court costs and other reasonable costs and expenses of legal proceedings including attorneys' fees, and any other liabilities incurred by, imposed upon, or suffered by such Employee in connection with or resulting from any claim, action, suit, or proceeding, actual or threatened, arising out of or in connection with the performance of his duties. Any settlement of any claim must be made with prior approval of the Employer in order for indemnification, as provided in this Section, to be available.

Employee recognizes that Employer shall have the right to compromise, unless the Employee is personally liable (under such circumstances the Employee shall have authority to settle his own matter). Further, Employer agrees to pay all reasonable litigation expenses of Employee throughout the pendency of any litigation to which the Employee is a party or witness in the litigation. Such expense payments shall continue beyond Employee's service to the Employer as long as litigation is pending. Further, Employer agrees to pay Employee witness fees and travel expense when Employee serves as a witness or party in the pending litigation.

Section 20. Fidelity Bond: Employer shall bear the full cost of any fidelity or other bonds required of the Employee under South Dakota law or ordinance.

Section 21. Modifications: This Agreement shall not be modified unless such modifications are reduced to writing and approved and signed by both parties.

Section 22. Limitation on Authority: The Employee shall not have authority to make any agreements or contracts binding on the City without express authority from the City Commission.

Section 23. Construction: This Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any party. The parties acknowledge that each of them has reviewed this Agreement and has had the opportunity to have it reviewed by their respective

attorneys and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement.

Section 24. Severability: In the event that any provision of this Agreement is found to be void and unenforceable by a court of competent jurisdiction, then such unenforceable provision shall be deemed modified so as to be enforceable (or if not subject to modification, then eliminated herefrom) for the purpose of those proceedings to the extent necessary to permit the remaining provisions to be enforced.

Dated at Madison, South Dakota this ____ day of _____, 20____.

City of Madison, South Dakota

By _____
Roy Lindsay, Mayor

ATTEST:

By _____
Amy L. Sad, Finance Officer

By _____
Jameson Berreth, City Administrator



December 9, 2025

Ryan Hegg
City of Madison

RE: City of Madison Water System Improvements Segment 5A – Contract Completion Dates

Mr. Hegg:

The following is a review of the contract completion dates, the project status and discussion on potential actions to consider for this contract.

Madison Segment 5A Contract Dates

Phase 1 Milestone:

- Original Contract – July 1, 2024
- Updated with 4 working days – July 8th, 2024 (**Asphalt Paving completed August 19th, 2024, 30 working days past**)

Phase 2 Milestone:

- Original Contract – September 3, 2024 (**Asphalt Paving completed October 18th, 2024, 33 working days past**)

Phase 3 Milestone:

- Original Contract – 35 working days completion requirement
 - Work started May 5, 2025
- Work Completed in 56 working days (**Asphalt Paving completed August 12th, 2025, 21 working days past**)

Final Completion Milestone:

- Original Contract – August 15, 2025
- Punchlist items completed on November 14th, 2025 (**63 working days past**)

Summary of Liquidated Damages:

- Phase 1 – 30 days
- Phase 2 – 33 days
- Phase 3 – 21 days
- Final Completion – 63 days
- Amount:
 - Substantial: 84 Days * \$1,500/day = \$ 126,000
 - Final: 63 Days * \$750/day = \$ 47,250
 - **Total LD Amount to date = \$ 173,250**

NOTE: Milestone = \$1,500/day; Substantial = \$1,500/day; Final = \$750/day



Madison Segment 5A Discussion:

This project was bid February 27, 2024. A pre-construction meeting was conducted on April 16, 2024, and construction began April 22, 2024.

Asphalt Surfacing Co. began removals for Phase 1 on April 22, 2024. Watermain installation began on May 8, 2024 and water services were finished on June 19, 2024. The dewatering system was installed on May 20, 2024, and removed on July 15, 2024. Sanitary sewer installation began on June 6, 2024 and sanitary services were completed on July 12, 2024. Cement treated subgrade process was performed on July 26, 2024. Asphalt bottom lift was completed on August 19, and the roadway was opened to traffic temporarily until the top lift was completed on September 5, 2024.

Asphalt Surfacing Co. began removals for Phase 2 on August 6, 2024. The dewatering system was installed on July 30, 2024, prior to any removals. Watermain installation began on August 8, 2024 and water services were finished on September 20, 2024. Sanitary sewer installation began on August 21, 2024 and sanitary services were completed on September 17, 2024. Cement treated subgrade process was performed on September 17 & 19, 2024. Concrete work began on September 30, 2024, and was completed by October 10, 2024. Asphalt paving started on October 16, 2024, and finished by the end of day on October 18, 2024. The roadway was opened to traffic the weekend of October 19, 2024.

Asphalt Surfacing Co. began removals for Phase 3 on April 25, 2025, but maintained access to local resident's properties until May 5, 2025, when underground work was scheduled to begin. The dewatering system was installed on April 30, 2025, prior to the start of construction day count. Watermain bore under Silver creek was completed on May 6, 2025. Watermain installation progressed thereafter followed by water services; the full watermain system installation was completed on July 3, 2025. Sanitary sewer installation began on June 6, 2025; sanitary services and existing tie-in connections were completed on July 1, 2025. Cement treated subgrade process was performed on July 15, 2025. Concrete work began on July 22, 2025, and was completed by July 30, 2025. Asphalt paving was finished by the end of day on August 11, 2025. The roadway was opened to traffic on August 13, 2025.

The City of Madison, Banner Associates and Asphalt Surfacing Co completed a substantial completion walk-through of the entire project on August 14, 2025, and generated a punch list of items. Asphalt Surfacing Co worked with their subcontractors to complete the punchlist, which was reviewed and approved by Banner and the City of Madison on November 14th. There are miscellaneous items that were identified to be monitored as warranty items. Delays in the punchlist completion were due to a sanitary sewer pipe joint defect that required a patch liner, watermain and sanitary sewer tracer wire locating issues, and miscellaneous punchlist items being completed according to the specifications and plans.

Due to Asphalt Surfacing Co missing their deadlines, this has resulted in Banner incurring additional engineering costs for the construction administration of the project. These additional engineering costs are summarized below per each phase of the project.

- Phase 1 = \$42,245
- Phase 2 = \$57,931
- Phase 3 = \$34,255
- Final Completion = \$12,019
- Total additional engineering costs = \$146,450



Through review of the contract and project status, the following are potential actions that could be considered on this contract:

- A) Take no action and assess liquidated damages for the working days that have accumulated beyond the milestone completion dates of July 8, 2024, for Phase 1, September 3, 2024, for Phase 2, beyond 35 working day requirement for Phase 3, and August 15, 2025 for Final Completion.
 - a. This results in 84 days for the work on Phases 1, 2, and 3 along with 63 days for completing the punchlist for Final Completion.
- B) Change the milestone completion dates on Phase 1 to August 19, 2024, Phase 2 to October 18, 2024, Phase 3 to August 12, 2025, and Final Completion to November 14, 2025, which would result in no days to be considered for liquidated damages.
- C) Allow staff to negotiate with Asphalt Surfacing Co to cover the additional costs incurred on the project due to the project extending beyond the contractual completion dates and present to the commission for final approval.

The potential actions suggested are provided to assist with discussions on assessing liquidated damages or modifying contract dates. The day count provided is calendar based with no consideration of potential project delays or weather delays. In an effort to assist with moving this project forward and coordinate with the contractor, we would request direction from the City of Madison on what actions or non-action you would like to take on the referenced construction contract. Once direction is provided, we will follow up with the contractor and city staff to discuss and prepare documents for commission approval if necessary.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alex Welbig".

Alex S. Welbig, PE
Banner Associates, Inc.



TABULATION OF BIDS RECEIVED City Bid No. 987 Chemicals For the City of Madison, SD Bid Date: December 10, 2025 Bid Time: 2:00 o'clock P.M.				Pete Lien & Sons Inc. 3401 Universal Dr Rapid City, SD 57703	Lhoist North America 20947 White Sands Road St. Genevieve, MO 63670	Hawkins Inc. 2381 Rosegate Roseville, MN 55113	Low Bid Total Cost at Estimated Quantities
Schedule	Description	Quantity	Units	Unit Price	Unit Price	Unit Price	Unit Price
A	LIME	275	tons	\$280.00	\$727.44	-	\$77,000.00
B	LIQUID CHLORINE	100	cwt			\$165.00	\$16,500.00
C	CARBON DIOXIDE	15	tons	-		-	-
D	FERRIC CHLORIDE	2000	gal.			\$7.05	\$14,100.00
E	FLUOSILICIC ACID	600	gal.			\$8.12	\$4,872.00
F	AQUEOUS AMMONIA	2000	gal.			\$5.75	\$11,500.00
			Total Bid	\$77,000.00	\$200,046.00	\$46,972.00	\$123,972.00
			Bid Security	10% Bid Bond	No Bid Bond	10% Bid Bond	

Schedule	Description	2025 Prices	2024 Prices	2023 Prices	2022 Prices	2021 Prices
A	LIME	\$250.00	\$315.50	\$203.15	\$181.34	\$166.30
B	LIQUID CHLORINE	\$165.00	\$165.00	\$155.00	\$79.00	\$55.00
C	CARBON DIOXIDE		-	-	-	-
D	FERRIC CHLORIDE	\$6.95	\$6.95	\$6.89	\$5.95	\$5.80
E	FLUOSILICIC ACID	\$8.12	\$8.12	\$8.12	\$5.20	\$4.60
F	AQUEOUS AMMONIA	\$5.50	\$5.50	\$5.40	\$3.95	\$3.63

AGREEMENT FOR SALE AND WHEELING OF ELECTRICITY TO DAKOTA STATE UNIVERSITY BY THE CITY OF MADISON

This agreement ("Agreement") is made this ____ day of _____ 2025, between the City of Madison, by and through its City Commission ("City"), and the State of South Dakota, by and through the Bureau of Human Resources and Administration ("State"), for the use and benefit of Dakota State University of Madison, South Dakota ("DSU"). The City and State may individually and collectively be referred to herein as "Party" and "Parties" respectively.

WHEREAS, the State has transferred and assigned a portion of its power and energy allocation from the Western Area Power Administration ("Western") to the City to enable the supply of electricity to DSU by the City; and

WHEREAS, the City desires to furnish electric transmission, distribution, and supplemental power and energy to DSU; and

WHEREAS, the City has an allocation of power and energy from Western to meet a portion of its power and energy needs; and

WHEREAS, the City purchases supplemental power and energy from Heartland Consumers Power Cooperative ("Heartland"); and

WHEREAS, the City purchases electric transmission service from East River Electric Power Cooperative ("East River").

NOW, THEREFORE, in consideration of the premises, and mutual covenants and conditions contained in this agreement, the Parties agree as follows:

1. Definitions.

- 1.1. **"Billing Demand"** shall mean Metered Demand times the quantity one (1.0) plus losses.
- 1.2. **"Billing Energy"** shall mean Metered Energy times the quantity one (1.0) plus losses.
- 1.3. **"City Load Factor"** shall mean the value of load factor as shown on Western's invoice to the City for the respective billing period.
- 1.4. **"City Peak Demand"** shall mean the greatest demand of the City's total load occurring in a thirty (30) minute interval as billed by Western for the respective billing period.
- 1.5. **"City Peak Interval"** shall mean the specific thirty (30) minute interval in which the City Peak Demand occurred during the respective billing period.
- 1.6. **"Demand"** shall always mean a thirty (30) coincident demand which occurs during the City Peak Interval.
- 1.7. **"Demand Allocation"** shall mean the Demand component of the State's Western Allocation assigned to the City at any time during the term of this agreement. Demand Allocation is listed in **Exhibit A**.

- 1.8. **“DSU Load Factor”** shall mean Billing Energy divided by DSU Peak Demand with Losses divided by hours.
- 1.9. **“DSU Peak Demand With Losses”** shall mean the highest Demand of DSU’s total load occurring in a thirty (30) minute interval as billed by Western measured at the Point(s) of Delivery in the respective billing period multiplied by the quantity one (1.0) plus Losses to adjust for losses. DSU Peak Demand with Losses will always be greater than or equal to Metered Demand.
- 1.10. **“East River Wheeling Rate”** shall mean the Demand charge divided by the wheeled Demand that is billed on East River’s invoice to the City for the respective billing period
- 1.11. **“Energy”** shall mean the respective quantity of kilowatt hours of electricity that occurs in the respective billing period.
- 1.12. **“Energy Allocation”** shall mean the Energy component of the State’s Western Allocation assigned to the City at any time during the term of this Agreement. Energy Allocation is listed in **Exhibit A**.
- 1.13. **“Good Utility Practice”** shall mean any of the practices, methods and acts engaged in, or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the electric utility industry.
- 1.14. **“Hours”** shall mean the number of hours in the respective billing period.
- 1.15. **“Metered Demand”** shall mean the coincident Demand of DSU measured at the Point(s) of Delivery that occurs during the City Peak Interval in the respective billing period.
- 1.16. **“Metered Energy”** shall mean the sum of the Energy of DSU measured at the point(s) of delivery in the respective billing period.
- 1.17. **“Point(s) of Delivery”** shall mean the facilities of the State that are interconnected with the City’s facilities at various locations on the campus of DSU.
- 1.18. **“Point(s) of Receipt”** shall mean the point or points where the City’s facilities interconnect with East River’s facilities.

2. Term, Termination, and Renegotiation

- 2.1. **Term:** This agreement shall be effective for all electricity consumption commencing January 1, 2026, and shall continue through December 31, 2031, unless terminated pursuant to Article 2.2
- 2.2. **Termination:** This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event City breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for a breach is affected by the State, any payments due to City at the time of termination may be adjusted to cover any additional costs to the State because of City’s breach. Upon termination the State may take over the work and may award another party a contract to complete the work contemplated by this Agreement.

If after the State terminates for a breach by City it is determined that City was not at fault, then City shall be paid for eligible services rendered and expenses incurred up to the date of termination.

2.3 Termination by Default: Should either party fail to comply with or perform any material condition or obligation under this Agreement, the other Party shall have the right to terminate this Agreement by giving ninety (90) days' notice to the other Party, unless within such ninety (90) days the defaulting party shall cure such failure or both Parties agree to a course of action to cure such failure.

2.4. Renegotiation: Neither Party wishes to be bound to an onerous or unfair agreement. The terms and conditions of this Agreement shall be renegotiated at the request of either Party at any time if either the State's Western allocation or the City's western allocation are substantially changed or if Heartland ceases to provide Supplemental Demand and Supplemental Energy to the City or if East River ceases to provide transmission service to the City. The parties shall meet within thirty (30) days to negotiate, in good faith, revisions to this Agreement that would provide for continued supply and delivery of electricity to DSU by the City. If after sixty (60) days from the initial meeting the Parties are unable to agree upon a revision to this Agreement, either Party may terminate this Agreement by giving a two (2) year written notice to the other Party.

3. Allocation.

Title to all Allocation assigned to the City by the State for use at DSU is retained by the State. Future disposition of the State's Allocation used at DSU shall be determined at the sole discretion of the State. The State shall have the option to increase or decrease DSU Allocation within the limitations prescribed by Western policy. The City shall concur with any request by the State to change DSU Allocation. A revised **Exhibit A** shall be automatically substituted concurrent with any change of DSU Allocation.

4. Losses

Wheeling losses (Losses) between the Point(s) of Receipt and the Point(s) of Delivery shall be two percent (2.0%).

5. Charge for City Wheeling

The City shall deliver Demand and Energy to DSU in accordance with Good Utility Practice. The charge for City Wheeling (City Wheeling Charge) shall be calculated at a rate equal to \$0.03671/KWh for the year 2026 and increased no more than the annual CPI-U ending the preceding October. If the CPI-U is discontinued or substantially altered, the parties shall agree upon a comparable index published by a governmental agency or other reputable source. Refer annually, each January, to the calculation in **Exhibit C**.

6. Firm Supply Charges

6.1. **Firm Supply Charges** shall equal the sum of Firm Demand Charge and Firm Energy Charge.

Firm Demand Charge = Firm Demand x Firm Demand Rate, where:

Firm Demand equals the lesser of Billing Demand or Demand Allocation.

Firm Demand Rate equals the Demand Charge divided by the Demand that is billed on Western's invoice to the City for the respective billing period.

6.2. **Firm Energy Charges** shall equal Firm Energy x Firm Energy Rate.

7. Charge for Supplemental Supply

7.1. Supplemental Supply Charges shall equal the sum of Supplemental Demand Charge, Supplemental Energy Charge and Supplemental Power Factor Charge.

7.2. Supplemental Demand Charges shall equal Supplemental Demand x Supplemental Demand Rate, where Supplemental Demand = 0 if Billing Demand < Demand Allocation, otherwise:

Supplemental Demand = Billing Demand – Demand Allocation.

Supplemental Demand Rate equals the Demand Charge divided by the Demand that is billed on Heartland's invoice to the City for the respective billing period.

7.3. Supplemental Energy Charge shall equal Supplemental Energy x Supplemental Energy Rate, where Supplemental Demand = 0 if Billing Energy < Energy Allocation, otherwise:

Supplemental Energy = Billing Energy – Energy Allocation.

Supplemental Energy Rate equals the Energy Charge divided by the Energy that is billed on Heartland's invoice to the City for the respective billing period.

In the event that Heartland should enforce an applicable Power Factor Charge (Supplemental Power Factor Charge). The City and State shall meet to negotiate an amendment to this agreement. It is the intent that an amendment to this Agreement that compensates for changes in the treatment of Power Factor. Heartland shall deal proportionally with the loads, Power Factor, and charges to the City and DSU.

In the event that the City and State are unable to reach an agreement on the treatment of Power Factor charges from Heartland, the City and State shall ask Heartland to determine the treatment of charges, consistent with the intent to deal proportionally with the loads, Power Factor, and charges to the City and DSU. Heartland's decision shall be binding and final.

8. East River Charges

8.1. East River Charges shall equal the sum of ER Wheeling Charge and ER Power Factor Charge.

8.2. ER Wheeling Charge = <Metered Demand x East River Wheeling Rate

9. Financial Credit

9.1. The City shall provide Financial Credit to DSU on the respective month's bill.

9.2. Financial Credit shall equal the lesser of:

City Wheeling Charge or (Financial Demand Credit + Financial Energy Credit) x 0.5

Where:

Fin Demand Credit= Demand Credit x (Sup Demand Rate - Firm demand Rate)

Demand Credit=Demand Allocation-Billing Demand if Demand Allocation>Billing Demand

Otherwise,

Demand Credit = 0

Fin Energy Credit= Energy Credit x (Sup Energy Rate-Firm Energy Rate)

Energy Credit= Energy Allocation-Billing Energy if Energy Allocation > Billing Energy, otherwise:

Energy Credit=0

10. Generation by DSU.

Nothing Herein shall prohibit DSU from Generating and supplying electricity for its own use.

11. Billing and Payment.

The billing period shall coincide with Western's billing period. The City shall bill the State for payment approximately monthly. The bill shall identify charges and credits to the State for the services rendered pursuant to this Agreement and shall be delivered to the State within thirty (30) days of receipt of the bill.

The invoice shall have the form of the sample invoice attached to this Agreement as **Exhibit B.**

11.1. **Funding:** This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State upon five (5) business days written notice. City agrees that termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State or any officer, agent or employee of the State, and City waives any claim against the same.

12. Facilities Provided by City.

The City shall own and maintain, at its expense, such electric transmission and distribution facilities from the Point(s) of Delivery sufficient to deliver Metered Demand and Metered Energy as required by DSU at the voltages which exist on the date of this Agreement.

13. Facilities Provided by State

13.1. **State Facilities:** The State shall install and maintain, at its own expense, in compliance with approved standards of construction and good utility practice, all facilities on the DSU side of the Point(s) of Delivery that are necessary for the proper reception of Metered Demand and Metered Energy.

13.2. **Rights-of-Way:** The State agrees to provide the City, without cost, suitable location and rights-of-way on the premises of DSU for lines, apparatus and metering equipment necessary to fulfill the terms and conditions of this Agreement. The City shall perform whatever restoration to the property and improvements back in the same condition as existed prior to the installation and construction. The City understands and agrees it shall be liable for and shall promptly settle all damages to the property caused by the City associated with this agreement.

14. Metering.

14.1. **Ownership:** The City is responsible for ownership, maintenance and calibration of meters used in determining billing parameters pursuant to this Agreement.

14.2. **Access:** Meter shall be sealed, and the seals shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted, and representatives of the State shall be afforded reasonable opportunity to be present upon occasions.

14.3. **Inspection:** Metering equipment shall be inspected and tested each year by the City, unless the Parties agree upon another test interval. Meters shall also be tested at any reasonable time upon request by either Party. Any meter found to be damaged, defective, or inaccurate shall be repaired, adjusted or replaced by the City.

14.4. **Error:** If acceptable inspections and tests of a meter or recording device discloses an error exceeding two percent (2%), either fast or slow, proper correction shall be made of the previous readings for the period that the inaccuracy can be shown to have existed. If the period during which the inaccuracy existed cannot be determined, then correction shall be made of the period beginning with the monthly billing period immediately preceding the billing period during which the test was made.

14.5. **Malfunction:** Should a meter or recorder malfunction so that any necessary billing determinant is unavailable, the City and the State shall meet to mutually establish the missing determinant. Should the Parties be unable to mutually agree to the missing determinant, then the Parties agree to a non-binding mediation if the parties mutually agree. Notice of a request for mediation shall be sent in writing to the other party within a reasonable time after the Parties are unable to mutually agree to the missing determinant. If the party receiving notice of request does not agree to mediation in writing within 10 business days, it will be deemed that the parties do not mutually agree to mediate the matter. If the parties agree to mediate, a mediator to hear the dispute will be agreed upon by the parties. If agreement on a mediator cannot be reached, the State shall select the mediator.

14.6. **Calibration:** The City shall calibrate the meters and recording devices as closely as practicable to 100 percent (100%) accuracy (zero error).

14.7. **Record Keeping:** The City shall maintain records of tests, maintenance and replacement of meters, which shall be made available to the State upon request.

14.8. **Access to Real-time Data:** The State shall be permitted, at its own expense, to install and maintain communication equipment necessary to retrieve real-time data from the metering equipment of the City for the purposes of load management and energy accounting. The State shall submit its desire to make any such installations to the City for its approval. The City shall not withhold its approval unless such installation creates a safety hazard or jeopardizes the reliable operation of the City's equipment.

15. Miscellaneous

15.1. **Force Majeure:** The City shall use reasonable diligence to provide a constant and uninterrupted supply of electricity to DSU and is mutually agreed, covenanted and understood that should the supply of electric demand and energy fail or be interrupted or otherwise become defective through any act of God, governmental authority, action of the elements, public enemy, accident, strikes, insurrection, riots, labor trouble, required repair work, inability to secure right-of-way, or any other cause beyond the reasonable control of the City that the City shall not be liable for resulting damages arising therefrom. The City shall not be liable or obligated for any source of electric demand and energy or the continuity of delivery of such source to the Point(s) of Receipt.

15.2. **Waivers:** Any waiver at any time by either party hereto of its rights with respect to a default or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any subsequent default or matter.

15.3. **Notice:** Any notice, request or demand provided for in this Agreement shall be in writing and shall be considered duly delivered when given in person or when mailed as postage prepaid, certified mail, return receipt requested, United States mail, or by prepaid overnight delivery to the other Party by United States Postal Service, United Parcel Service, Federal Express, or Airborne to its address indicated below.

Contract Administration

City

State

City of Madison

South Dakota Bureau of Human Resources and
Administration

Attn City Finance Officer

Attn: Commissioner, Bureau of Human Resources
and Administration

503 S. Highland Ave

523 East Capitol Avenue

Madison, SD 57042

Pierre, SD 57501

605-256-7500

605-773-5981

Fax: 605-256-7511

Fax: 605-773-5980

15.4. **Severability:** In the event that any of the terms, covenants or conditions of this agreement, or the application of any such term, covenant or condition, shall be held invalid as to any person or circumstance by any court having jurisdiction under the circumstances, the remainder of this agreement, and the application of its term, covenants or conditions to such persons or circumstances shall not be affected thereby.

15.5. **Amendment:** Except as provided for expressly herein, neither this agreement nor any terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing executed by all parties to this Agreement.

15.6. **Governing Law:** This agreement shall be interpreted in accordance with the laws of the State of South Dakota.

15.7. **Headings:** The captions and headings appearing in this Agreement are inserted merely to facilitate references, which shall no bearing upon the interpretation of any of the terms or provisions hereof.

15.8. **Supersession:** All other prior discussions, communications, representations, and agreements concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

15.9. **Sovereign Immunity:** Nothing in this Agreement is intended to constitute a waiver of sovereign immunity by or on behalf of the State of South Dakota, its agencies, officers or employees.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed in duplicate as of the day and year first above written.

CITY OF MADISON

STATE OF SOUTH DAKOTA

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A
DSU ALLOCATION

Calendar Month	Firm Demand (kW)	Firm Energy (kWh)	Calendar Month	Firm Demand (kW)	Firm Energy (kWh)
Jan	1,500	855,252	July	1,687	763,874
Feb	1,490	835,289	August	1,687	800,457
March	1,467	715,533	Sept	1,687	716,551
April	1,409	730,178	Oct	1,297	664,190
May	1,687	768,069	Nov	1,341	714,622
June	1,515	757,248	Dec	1,396	717,466

EXHIBIT B **BILL FORMAT**

Invoice Date:	10/1/2025	Due Date:	10/15/2025	DSU Invoice Detail			
Service Month:	September					Rate	Charge
Year:	2025			DSU Peak Demand	2,018 kW		
Days:	30			DSU Metered Demand	1,991 kW		
				DSU Metered Energy	918,260 kWh		
From Western's Bill to the City of Madison				Load Factor	63.1939%		
Western Load Factor	57.2209%			Peak Demand w/Losses	2,059 kW		
Peak Date	9/16/2025						
Peak Time	16:00			Billing Demand	2,031 kW		
	QTY	Charge	Average Rate	Billing Energy	936,625 kWh		
Demand Charge	7,209 kW	\$47,579.40	\$6.60/kW	Demand Allocation	1,687 kW		
Energy Charge	2,970,037 kWh	\$49,154.11	\$0.01655/kWh	Energy Allocation	716,551 kWh		
Energy Over 60%	1 kWh	\$0.00	\$0.00000/kWh				
Voltage Discount		\$0.00		Firm Supply			\$22,993.12
Transmission Discount		\$0.00		Supplemental Supply			\$16,152.26
TOTAL		\$96,733.51		East River Wheeling	2,031 kW	\$2.68/kW	\$5,443.42
				City of Madison Wheeling	936,625 kWh	\$0.04633/kWh	\$43,393.85
From Heartland's Bill to the City of Madison							
	QTY	Charge	Average Rate	Allowable Credit to DSU			\$0.00
Demand	8,082 kW	\$202,373.28	\$25.04/kW				
Energy	3,640,319 kWh	\$124,644.52	\$0.03424/kWh	INVOICE TOTAL			\$87,982.64
PCA		\$0.00					
Surcharge		\$0.00		Firm Supply			
TOTAL		\$327,017.80		Firm Demand	1,687 kW	\$6.60/kW	\$11,134.20
From East River's Bill to the City of Madison				Firm Energy	716,551 kWh	\$0.01655/kWh	\$11,858.92
	QTY	Charge	Average Rate	Firm Energy Over 60% LF	0 kWh	\$0.00000/kWh	\$0.00
East River Wheeling	12,939 kW	\$34,676.52	\$2.68/kW	Subtotal			\$22,993.12
				Supplemental Supply			
				Supplemental Demand	344 kW	\$25.04/kW	\$8,616.92
				Supplemental Energy	220,074 kWh	\$0.03424/kWh	\$7,535.34
				Subtotal			\$16,152.26
				Gross Credit Calculation			
				Demand Credit	0 kW	\$18.44/kW	\$0.00
				Energy Credit	0 kWh	\$0.01769/kWh	\$0.00
				Subtotal			\$0.00

EXHIBIT C

WHEELING CALCULATIONS

The Wheeling Calculation shall be comprised of the total budgeted costs for Electric Production (minus the purchase power and generation plant fuel cost but adding in SPP cost) plus Transmission and Distribution (minus Supplies & Material-Cable Wire, prof services for capital projects, and capital improvements) plus admin plus depreciation as spelled out in the City of Madison annual budget divided by the annual KWh purchased over the previous 5 years. For 2024 the average used is: 104,471,846 KWh.

The 2026 wheeling rate shall equal: \$.03671/KWh

2026			Item	Description	Amount
2020	101,685,656	KWH	1	Production	\$626,148.12
2021	103,490,257	KWH	2	Trans and Distr	\$898,354.91
2022	108,548,582	KWH	3	Admin	\$1,744,988.78
2023	108,067,644	kWh	4	depreciation	\$565,419.62
2024	100,567,091	kWh	5		
Average	104,471,846	kWh	6	budget total	\$3,834,911.43
DSU Wheeling Rate					\$0.03670761

Letter of Intent (LOI)

Between

Giga Energy LLC

City of Madison

Heartland Energy

Effective Date: [Insert Date]

1. Purpose

This Letter of Intent records the Parties' intent to cooperate in developing a high-density flexible data-center (the Project) and to enable Giga Energy LLC to become a retail customer of City of Madison (City) while ensuring compliance with all applicable regulations and contractual obligations. The Project will support local economic development, provide a flexible interruptible load for the City's system, and Heartland.

2. Project Description

The project consists of a cryptocurrency mining operation initially sized at approximately 10 megawatts (MW) with potential expansion to additional capacity. Legal Description of Property: [Insert full legal description here]

3. Scoping and Cost Estimates

Phase	Target Capacity	Key Milestones
I- Pilot feed	10MW	
II – Substation Upgrade		
III – Transmission Tap		

Timelines will be refined in a definitive agreement; current working assumptions are ≈9-12 months to Phase I in-service-date following signature of all definitive documents and regulatory clearances.

The Parties plan to engage in discussions regarding the terms of the Project. Preliminarily, the Parties currently contemplate that any definitive transaction, if consummated, would be subject to the parties' mutual satisfaction (in their sole discretion) of the following conditions precedent (among others):

1. Right-of-Way and Land Control. The Parties currently anticipate that they would need to secure right-of-way access and obtain control of additional real property reasonably necessary for the Project outside of what is covered by the Site.

2. Facilities Agreement. The Parties currently anticipate that they would need to reach mutually agreeable terms on a Electric Services Agreement (the “ESA”), wherein Giga is responsible for payment of all facility upgrades needed to serve the Project. Giga anticipates it would need to be willing to take a primary feed of 115kV and provide its own step-down transformers to serve its load or take primary feed at the distribution level voltage of 13,800 kV.

Any such service or development would be in accordance with the laws of the State of South Dakota and subject to the approval of the South Dakota Public Service Commission, if applicable.

4. Scope & Phasing

1. Phase I: Target capacity ~10 MW. Additional phases may be considered based on feasibility and approvals.
2. Timelines will be refined in a definitive agreement; current working assumptions are approximately 9–12 months to Phase I in-service date following signature of all definitive documents and regulatory clearances.

5. Roles & Responsibilities

City of Madison:

1. Provide electric service under applicable tariffs or special service agreements.
2. Ensure metering accuracy and billing transparency.
3. Act as retail service provider and administer Heartland’s DATA electric tariff to Project meter.
 - Description of infrastructure improvements; seek competitive bids or accept customer-supplied equipment that meets City specs.

Heartland Energy:

1. Supply wholesale power under the DATA Program; file a City-specific tariff enabling interruptible-load and contract terms.
2. Lead transmission interconnection request for future phases; manage studies and cost estimates.
3. Provide regulatory and rate-design support to the City.

If the Parties reach definitive agreements and proceed with the Project, Giga currently contemplates that its roles and responsibilities would include the following (all subject to negotiation and final documentation):

Giga Energy LLC:

1. Design, procure and install modular data-center equipment, medium voltage transformers and internal electrical distribution for each Project phase, at their expense.
2. Fund all City-incurred direct costs specific to Project (breaker, feeder, permitting) via contribution in aid of construction, reimbursement schedule or minimum-bill mechanism to be negotiated.
3. Maintain load-management protocols to curtail or shift load in response to City or SPP peak events.

6. Key Terms

If the Parties proceed to definitive agreements, the Parties currently expect that such agreements would contain terms substantially similar to the following (all subject to negotiation, regulatory approval where required, and each Party's internal approval processes):

1. Load Requirements: Giga Energy LLC anticipates a peak demand of 10 MW, subject to Utility and Provider approval.
2. Rates and Charges: Service will be billed under applicable tariff or negotiated special contract, subject to regulatory approval if required.
3. Interruptible Service: The miner agrees that service will be interruptible per applicable utility and provider rules, including curtailment during emergencies or capacity shortages.
4. Infrastructure Costs: Giga Energy LLC agrees to fund or reimburse costs for any necessary system upgrades.
5. Electric Service Agreement (ESA): The City will supply electric service under an ESA with an initial five-year term followed by automatic one-year evergreen renewals. The ESA will include a minimum-bill structure and a twelve-month rolling demand ratchet designed to let the City recover its Phase 1 capital outlay.
6. Interruptible & Demand-Response Credits: The parties will define curtailment notice, measurement, and settlement procedures consistent with Southwest Power Pool (SPP) rules; qualified curtailments will be credited to Giga monthly bill.

7. Performance Security & Decommissioning

If the Parties proceed to definitive agreements, the Parties currently expect that such agreements would contain terms substantially similar to the following (all subject to negotiation, regulatory approval where required, and each Party's internal approval processes):

1. Giga shall post a performance security equal to Upgrade Cost + De-commission Reserve, where:
2. Upgrade Cost = the City's budgeted capital to install the Phase 1 breaker, feeder, and related facilities.

3. De-commission Reserve = the City's estimate to remove equipment, excavate foundations to 3 ft, re-grade, and reseed the Site.
4. Acceptable instruments: irrevocable standby Letter of Credit, surety Performance Bond, or cash escrow.
5. De-commissioning Scope: At lease end or earlier termination, Giga shall remove all containers, transformers, and fencing; demolish/remove concrete pads & foundations to ≥ 3 ft below grade; pull any underground conduits unless the City elects to keep them; backfill, re-grade, topsoil, and seed disturbed areas.

8. Confidentiality

All proprietary information shared among parties shall remain confidential unless disclosure is required by law or regulatory authority.

9. Term & Termination

This LOI becomes effective upon the last signature below and will expire 12 months thereafter unless extended in writing, superseded by definitive agreements, or terminated by mutual agreement of the Parties.

10. Non-Binding Nature

This LOI reflects the Parties' current intentions but does not create a legally binding obligation or enforceable right to consummate the Project or enter into a definitive agreement. Any binding commitment will arise only upon execution of definitive agreements approved by each Party's governing body. Notwithstanding the foregoing, the confidentiality obligations shall be binding upon the Parties. No Party shall have any liability to any other Party for failure to execute definitive agreements or proceed with the Project, and no Party has relied or will rely on this LOI as creating any commitment whatsoever (including any commitment to negotiate in good faith).

11. Governing Law

This LOI shall be construed in accordance with the laws of the State of South Dakota.

Execution & Signatures

For Giga Energy LLC:

Name:

Title:

Date:

Signature:

For City of Madison:

Name:

Title:

Date:

Signature:

For Heartland Energy:

Name:

Title:

Date:

Signature:

December 3, 2025



Michael Plooster
City of Madison
503 S Highland Avenue
Madison, SD 57042

**Re: Green Substation Site Grading
Madison, South Dakota
DGR Project No. 415935**

Dear Michael:

Enclosed are the following final contract documents for the construction work on the above referenced project.

1. **Certificate of Payment No. 1, Final.** Three (3) copies in the amount of **\$184,573.69** are enclosed. Please have all three copies signed and send one copy with payment to the Contractor, retain one copy for the Owner's file, and return one copy to DGR.
2. **Change Order No. 1.** Three (3) copies in the amount of **\$1,500.00** are enclosed. Please have all three copies signed and send one copy with payment to the Contractor, retain one copy for the Owner's file, and return one copy to DGR.
3. **Certificate of Contractor and Indemnity Agreement.** Please retain the enclosed copy for your file.
4. **Engineer's Statement of Final Completion and Owner's Acceptance of Contract Construction.** To the best of our knowledge, based on observations during construction by DGR and observations reported by City Staff, the construction work was completed in substantial compliance with the plans and specifications and therefore, we recommend the Owner accept the project and make final payment to the Contractor. Three (3) copies are enclosed. Please have all copies signed, retain one copy for the Owner's file, forward one copy with payment to the Contractor, and return one copy to DGR.

Please call if you have any questions.

Sincerely,

DGR Engineering

A handwritten signature in blue ink, appearing to read "Dan L. Van Schepen", is written over a light blue rectangular background.

Dan L. Van Schepen, P.E.

Enclosures

DGR Engineering — 1302 South Union Street — P.O. Box 511 — Rock Rapids, IA 51246
phone: 712.472.2531 — fax: 712.472.2710 — dgr.com

P:\04\159\35\CIVIL\DOC\FINAL DOCS\415935 CITY\FINALDOCS-LTR.DOCxdocx

Change Order No. 1

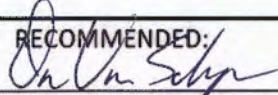
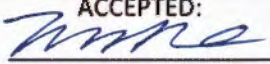
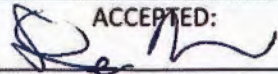
Date of Issuance: October 23, 2025	Effective Date: October 23, 2025
Owner: City of Madison, SD	Owner's Contract No.:
Contractor: Soukup Construction, Inc.	Contractor's Project No.:
Engineer: DGR Engineering	Engineer's Project No.: 415935
Project: Green Substation Site Grading	Contract Name: Green Substation Site Grading

The Contract is modified as follows upon execution of this Change Order:

Description: Storm manhole adjustment for \$1,500.

Attachments: *[List documents supporting change]*

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: \$ <u>184,184.00</u>	Original Contract Times: Substantial Completion: <u>December 1, 2025</u> Ready for Final Payment: <u>December 31, 2025</u> days or dates
[Increase] [Decrease] from previously approved Change Orders No. <u> </u> to No. <u> </u> : \$ <u> </u>	[Increase] [Decrease] from previously approved Change Orders No. <u> </u> to No. <u> </u> : Substantial Completion: <u> </u> Ready for Final Payment: <u> </u> days
Contract Price prior to this Change Order: \$ <u>184,184.00</u>	Contract Times prior to this Change Order: Substantial Completion: <u>December 1, 2025</u> Ready for Final Payment: <u>December 31, 2025</u> days or dates
Increase of this Change Order: \$ <u>1,500.00</u>	[Increase] [Decrease] of this Change Order: Substantial Completion: <u> </u> Ready for Final Payment: <u> </u> days or dates
Contract Price incorporating this Change Order: \$ <u>185,684.00</u>	Contract Times with all approved Change Orders: Substantial Completion: <u>December 1, 2025</u> Ready for Final Payment: <u>December 31, 2025</u> days or dates

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: <u></u>	By: <u></u>	By: <u></u>
Engineer (if required)	Owner (Authorized Signature)	Contractor (Authorized Signature)
Title: <u>Project Manager</u>	Title: <u>Utility Director</u>	Title: <u>Project Manager</u>
Date: <u>10-30-25</u>	Date: <u>12-04-2025</u>	Date: <u>29 Oct 25</u>

Approved by Funding Agency (if applicable)

By: _____ Date: _____
Title: _____

**CERTIFICATE OF CONTRACTOR
AND INDEMNITY AGREEMENT**

Matt Millage, certifies that he is the * Owner/President
Title or Designation

of Soukup Construction, Inc., the Contractor,
Name of Contractor

in a contract No. 415935 dated September 15, 2025, entered into between the Contractor and
City of Madison, SD
Name of Owner

the Owner, for the construction of Green Substation Site Grading

Name of Project DGR Project No. 415935

and that he is authorized to and does make this Certificate and Indemnity Agreement on behalf of the Contractor in order to induce the Owner to make payment to the Contractor, in accordance with the provisions of the Contract. Undersigned further certifies that:

1. The Project has been completed in accordance with provisions of the Construction Contract; provided however, that acceptance by the Owner shall not be deemed to relieve the Contractor of his obligations contained in the Construction Contract with respect to defective workmanship and materials discovered within two year(s) after the date of completion.

2. All persons who have furnished labor in connection with the Project have been paid in full at hourly wage rates not less than those, if any, set forth in the Construction Contract; that all manufacturers, materialmen and subcontractors which furnished any materials or services, or both, for the Project have been paid in full; that no lien has been filed against the Project and no person has any right to claim any lien against the Project.

3. That the Contractor has delivered to the Owner duplicate releases of liens executed by all manufacturers, materialmen and subcontractors that furnished materials or services for the project as follows:

Name	Kind of Material and Services
<u>Spltrack</u>	<u>Erosion Control/Seeding</u>
<u>Eng Services</u>	<u>Basecourse</u>
_____	_____
_____	_____
_____	_____

**ENGINEER'S STATEMENT OF FINAL COMPLETION
AND
OWNER'S ACCEPTANCE OF CONTRACT CONSTRUCTION**

TO: Soukup Construction, Inc.
P.O. Box 89106
Sioux Falls, SD 57109

Green Substation Site Grading

PROJECT DESIGNATION

I, the undersigned Engineer of the above designated project, do hereby state that:

1. The construction provided for pursuant to Construction Contract No. 415935, dated September 15, 2025, including all approved amendments and change orders, (hereinafter called the "Project") between City of Madison, SD ("Owner") and Soukup Construction, Inc. (Contractor") has been completed as of October 28, 2025 and to the best of my knowledge, information and belief, based on observations made during the period of construction, is in substantial compliance with the provisions of the Construction Contract, including all plans, specifications and drawings, and modifications thereof.

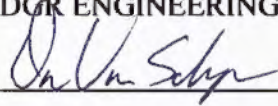
To the best of my knowledge, information and belief,

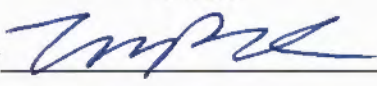
2. Defects in workmanship and materials reported during the period of construction of the Project have been corrected.
3. The total cost of the project as completed is one hundred eighty-four thousand, five hundred seventy-three and 69/100 Dollars (\$ 184,573.69).
4. The Final Inventory as shown on Certificate for Payment No. 1 – Final is a complete and accurate summary of the work performed in accordance with the Construction Contract.

Accepted:

DEWILD GRANT RECKERT AND ASSOCIATES COMPANY
d/b/a **DGR ENGINEERING**

City of Madison, SD
Owner

By 

By 

Title Project Manager

Date 4 Dec 2025

Date 12-3-2025

Attest 

Final Review and Acceptance

Contractor	Soukup Construction
Address	PO Box 89106, Sioux Falls, SD 57109
Project	Reconstruct Apron and Taxilane
Owner	City of Madison

On this Date, September 30, a final review of the project as constructed was made.

The Contractor hereby certifies that the construction has been performed in accordance with the plans and specifications, approved Change Orders, and terms of the contract. The Contractor further certifies that there are no unpaid bills of material or labor disputes in connection with this contract, and that the amount of \$466,770.05 shown on the final estimate is the total amount due for all work completed.

The undersigned Owner does hereby agree that all construction and engineering work on the project is complete and does satisfy all terms of appropriate construction or engineering agreements.

Owner and Contractor do hereby acknowledge that the one-year warranty period will begin on September 30 (date of Final Inspection with state and engineer).

KLJ
(ENGINEER)

By: 

Date: 11/7/2025

Soukup Construction Inc.
(CONTRACTOR)

By:  Digitally signed by Jacob Weiss
DN: C=US,
E=jakew@soukupconstruction.com,
O="Soukup Construction, Inc.",
CN=Jacob Weiss
Date: 2025.11.21 10:50:46-06'00'

City of Madison
(OWNER)

By: _____

Date: _____



FINANCE UPDATE

NOVEMBER - 2025

Presented By:
Amy Sad, Finance Officer



NOTES

- 2024 Audit is well underway with field work going smoothly. All requested preliminary documents have been submitted, and Finance is working proactively with the audit team to address follow-up requests. They are currently finalizing fixed assets and governmental revenue.
- Update covers YTD (through November of 2025).
- 91.6 % of the year.

CASH ON HAND

Type of Cash	Amount
General Cash	\$10.45M
Investments	\$2.68M
Checking	\$2.43M
Money Market	\$574k
Other	\$262k
Electric - Construction Account	\$4.5M
Restricted Cash	\$639k



REVENUE GUIDELINES

Fund	Description	Budget	November	YTD	% of Budget
101	General Fund	\$8,485,696	\$1,623,648	\$11,998,026	141.4%
211	Lodging & Entertainment Tax	\$240,000	\$19,967	\$252,685	105.3%
213	2nd Cent Sales Tax	\$2,431,943	\$175,570	\$2,167,147	89.1%
214	Business Improvement District Bid	\$53,500	\$2,644	\$46,488	86.9%
220	Special Maintenance Fee	\$251,847	\$84,823	\$244,410	97.0%
303	Tax Increment District #2	\$60,000	\$0	\$21,971	36.6%
307	Tax Increment District #3	\$0	\$27,107	\$54,214	0.0%
308	Tax Increment District #5	\$0	\$92	\$184	0.0%
309	Tax Increment District #6	\$0	\$5,148	\$12,486	0.0%
312	Swimming Pool Debt	\$0	\$241	\$502	0.0%
517	Creek - Bridge Mitigation	\$3,593,704	\$0	\$4,122,542	114.7%
518	City Hall Construction	\$0	\$0	\$0	0.0%
602	Water Fund	\$7,414,365	\$917,800	\$4,551,128	61.4%
603	Electric Fund	\$13,117,475	\$431,610	\$15,443,929	117.7%
604	Sewer Fund	\$4,151,276	\$601,434	\$2,928,691	70.5%
612	Solid Waste Fund	\$512,726	\$40,589	\$474,372	92.5%
620	Community Center	\$1,033,500	\$127,765	\$891,455	86.3%
621	After School / Youth Program	\$181,424	\$6,147	\$126,570	69.8%
	TOTAL	\$41,527,456	\$4,064,584	\$43,336,799	104.4%



EXPENDITURE GUIDELINES

Fund	Description	Budget	November	YTD	% of Budget
101	General Fund	\$12,288,886	\$1,201,825.28	\$14,419,020.43	117.3%
211	Lodging & Entertainment Tax	\$240,000	\$35,000.00	\$254,580.00	106.1%
213	2nd Cent Sales Tax	\$175,000	\$0.00	\$102,975.29	58.8%
214	Business Improvement District Bid	\$13,375	\$3,911.00	\$20,109.50	150.4%
220	Special Maintenance Fee	\$251,847	\$0.00	\$35,218.00	14.0%
303	Tax Increment District #2	\$60,000	\$0.00	\$21,971.48	36.6%
307	Tax Increment District #3	\$0	\$0.00	\$0.00	0.0%
308	Tax Increment District #5	\$0	\$0.00	\$0.00	0.0%
309	Tax Increment District #6	\$0	\$0.00	\$0.00	0.0%
312	Swimming Pool Debt	\$0	\$0.00	\$0.00	0.0%
517	Creek - Bridge Mitigation	\$5,738,600	\$82,152.23	\$7,320,474.66	127.6%
518	City Hall Construction	\$144,467	\$0.00	\$3,283.59	2.3%
602	Water Fund	\$6,323,298	\$704,950.38	\$5,518,246.26	87.3%
603	Electric Fund	\$21,520,643	\$1,663,110.58	\$11,607,183.78	53.9%
604	Sewer Fund	\$3,110,748	\$413,075.57	\$3,592,507.76	115.5%
612	Solid Waste Fund	\$526,556	\$36,629.49	\$437,656.51	83.1%
620	Community Center	\$1,032,626	\$65,389.31	\$828,377.03	80.2%
621	After School / Youth Program	\$177,524	\$8,993.71	\$148,176.87	83.5%
	TOTAL	\$51,603,569	\$4,215,038	\$44,309,781	85.9%



PROFIT OR LOSS – NOVEMBER 2025

Fund	Description	MTD Revenue	MTD Expense	MTD Profit or Loss
101	General Fund	\$1,623,648	\$1,201,825	\$421,823
211	Lodging & Entertainment Tax	\$19,967	\$35,000	(\$15,033)
213	2nd Cent Sales Tax	\$175,570	\$0	\$175,570
214	Business Improvement District Bid	\$2,644	\$3,911	(\$1,267)
220	Special Maintenance Fee	\$84,823	\$0	\$84,823
303	Tax Increment District #2	\$0	\$0	\$0
307	Tax Increment District #3	\$27,107	\$0	\$27,107
308	Tax Increment District #5	\$92	\$0	\$92
309	Tax Increment District #6	\$5,148	\$0	\$5,148
312	Swimming Pool Debt	\$241	\$0	\$241
517	Creek - Bridge Mitigation	\$0	\$82,152	(\$82,152)
518	City Hall Construction	\$0	\$0	\$0
602	Water Fund	\$917,800	\$704,950	\$212,850
603	Electric Fund	\$431,610	\$1,663,111	(\$1,231,501)
604	Sewer Fund	\$601,434	\$413,076	\$188,358
612	Solid Waste Fund	\$40,589	\$36,629	\$3,960
620	Community Center	\$127,765	\$65,389	\$62,376
621	After School / Youth Program	\$6,147	\$8,994	(\$2,847)
	TOTAL	\$4,064,584	\$4,215,038	(\$150,453)



PROFIT OR LOSS – YTD 2025

Fund	Description	YTD Revenue	YTD Expense	YTD Profit or Loss
101	General Fund	\$11,998,026	\$14,419,020	(\$2,420,994)
211	Lodging & Entertainment Tax	\$252,685	\$254,580	(\$1,896)
213	2nd Cent Sales Tax	\$2,167,147	\$102,975	\$2,064,172
214	Business Improvement District Bid	\$46,488	\$20,110	\$26,379
220	Special Maintenance Fee	\$244,410	\$35,218	\$209,192
303	Tax Increment District #2	\$21,971	\$21,971	\$0
307	Tax Increment District #3	\$54,214	\$0	\$54,214
308	Tax Increment District #5	\$184	\$0	\$184
309	Tax Increment District #6	\$12,486	\$0	\$12,486
312	Swimming Pool Debt	\$502	\$0	\$502
517	Creek - Bridge Mitigation	\$4,122,542	\$7,320,475	(\$3,197,932)
518	City Hall Construction	\$0	\$3,284	(\$3,284)
602	Water Fund	\$4,551,128	\$5,518,246	(\$967,118)
603	Electric Fund	\$15,443,929	\$11,607,184	\$3,836,745
604	Sewer Fund	\$2,928,691	\$3,592,508	(\$663,816)
612	Solid Waste Fund	\$474,372	\$437,657	\$36,715
620	Community Center	\$891,455	\$828,377	\$63,077
621	After School / Youth Program	\$126,570	\$148,177	(\$21,607)
	TOTAL	\$43,336,799	\$44,309,781	(\$972,982)

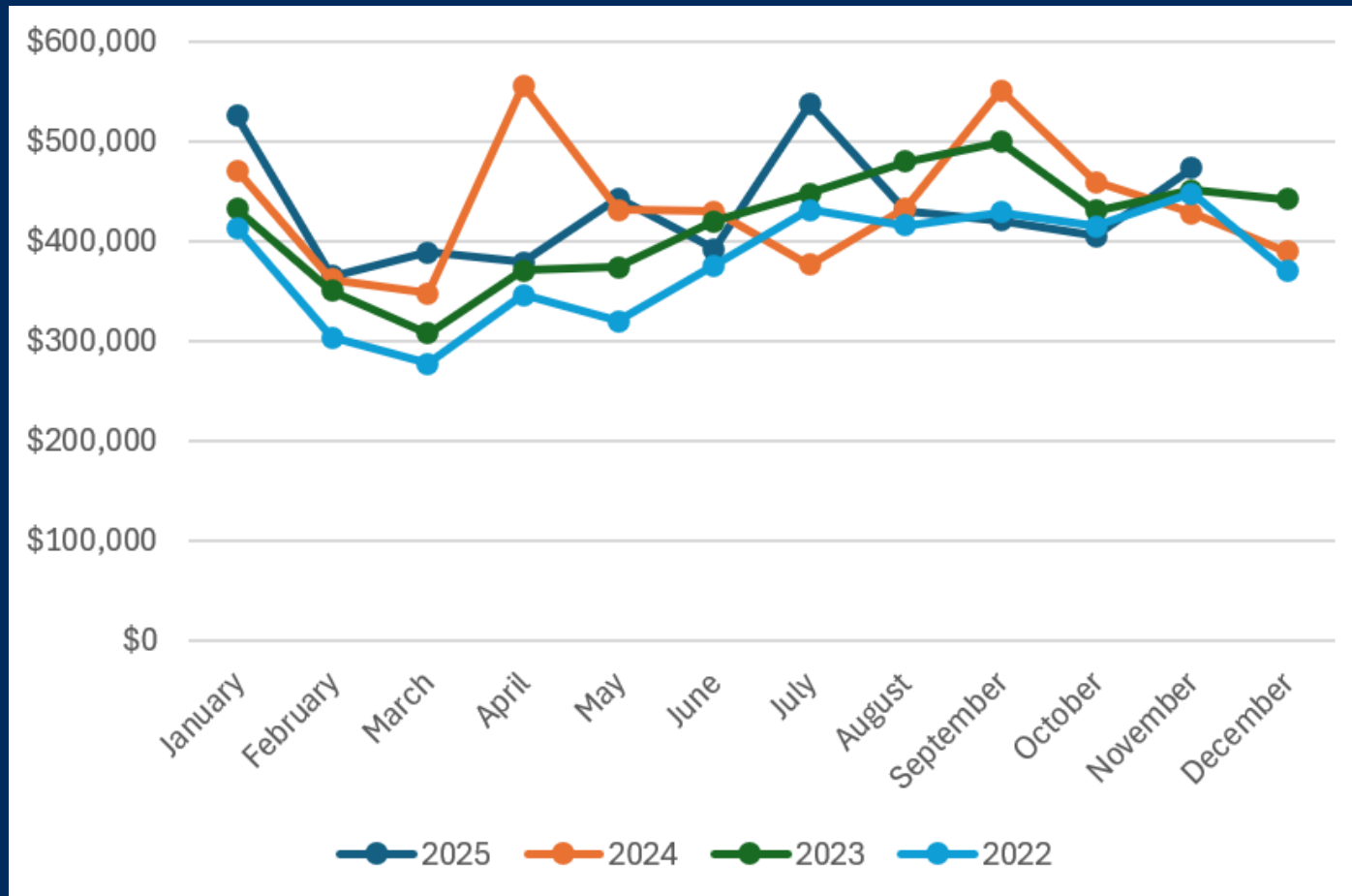


SALES TAX

Month	% Increase	2025	2024	2023	2022
January	11.60%	\$526,287	\$471,571	\$432,730	\$413,511
February	0.92%	\$365,323	\$361,999	\$350,238	\$303,973
March	11.91%	\$389,280	\$347,846	\$308,016	\$277,186
April	-31.79%	\$379,610	\$556,545	\$371,022	\$346,336
May	2.67%	\$443,297	\$431,766	\$374,131	\$320,367
June	-8.65%	\$392,772	\$429,961	\$420,501	\$376,298
July	42.55%	\$537,386	\$376,990	\$448,323	\$431,753
August	-0.46%	\$431,089	\$433,097	\$480,355	\$416,258
September	-23.73%	\$420,982	\$551,973	\$499,767	\$428,928
October	-11.72%	\$405,503	\$459,462	\$430,674	\$414,971
November	10.69%	\$473,913	\$428,143	\$451,510	\$448,293
December			\$389,624	\$442,683	\$370,263
Total	-1.73%	\$4,765,442	\$5,238,976	\$5,009,950	\$4,548,137



SALES TAX GRAPH





Q&A



The City of Madison is an equal opportunity employer and provider.