

MINUTES	Friday, May 23, 2014 at 10:30 a.m.	 CITY OF SIOUX FALLS
BOARD OF ETHICS SPECIAL MEETING	Commission Room 1st Floor ~ City Hall 224 West Ninth Street Sioux Falls, South Dakota	

BOARD MEMBERS PRESENT: Jeff Gednalske, Carol Knudtson, Ron Sisk and Bob Swanhorst

BOARD MEMBERS ABSENT: Greg LaFollette

STAFF PRESENT: Dave Pfeifle, Sioux Falls City Attorney and Cari Hanzel, Board Liaison/Recording Clerk

GUESTS: Mayor Huether, Cindy Huether, Kylie Huether, Bill Townsend, KELO and Argus Leader media personnel

CALL TO ORDER

A quorum being present, the meeting was called to order by Board Vice Chair Carol Knudtson at 10:33 a.m.

APPROVAL OF MINUTES

A motion was made by Ron Sisk and seconded by Bob Swanhorst to approve the minutes from the Special Meeting on April 23, 2014. Vote to approve: 4 Yeses. Motion passed.

BUSINESS OR PENDING ISSUES BROUGHT BEFORE THE BOARD

- 1. Request for Advisory Opinion filed 5/21/14 from Mayor Mike Huether.**

Mayor Mike Huether thanked Board members for their service to the City.

The Mayor then proceeded to introduce his family and then outlined his request for Advisory Opinion to the Board.

The Mayor explained that stewardship has always been a big part of their family and in that regard, they have a long history of giving private funds to causes they think are important.

The Mayor further outlined his family's history with the sport of tennis, including playing, coaching, their involvement with local associations/committees and other tennis related fundraising drives, and being named the 2011 United States Tennis Family of the Year.

The Mayor discussed the Community Indoor Tennis Center ("CITC"), the fact that his wife Cindy serves as an unpaid volunteer on its Board, and the organization's goal of creating an indoor tennis facility in Sioux Falls.

The fundraising efforts of the CITC to date were outlined and the Board was informed that the CITC was short of its goal by a substantial amount.

The Mayor advised the Board that in an effort to move the project forward, he and his family met with the president of the CITC, Bill Townsend, and presented the following proposal:

- Over a designated period of time, the Huether family would donate a total of \$700,000 to the CITC which would be used to:
 - Provide funds to help stimulate building the facility;
 - Provide opportunities for access/improved access for people of limited means or special needs; and
 - Create a winter tennis tournament for juniors and adults.

Mayor Huether told the Board that he wanted to make sure there was no potential conflict with the City as they move forward with this donation.

The Board questioned what the City's involvement is or will be with the CITC.

The Mayor explained that he understands the City's involvement with the CITC to be very limited. If the City were to become more involved in the future, there are a number of checks and balances within city government to help avoid any conflicts. City staff, independent groups, citizen boards and committees like the Parks and Rec Board, City Council, media and the citizens of Sioux Falls are all part of the checks and balances in the City.

In addition, the Mayor informed the Board that he has a history that if he has any personal conflict, he simply recuses himself.

Bill Townsend, President of the CITC, appeared before the Board. He summarized their fundraising efforts and explained that there are over 50 volunteers in the CITC organization and no one is getting paid.

The Mayor explained that the City contributed funds for the development of the ice and tennis complexes through its Parks and Rec budget. The City's contribution was for tangible assets with no future maintenance costs. A City representative will sit on the CITC Board and the CITC will submit annual reports to the City.

When asked about the City working with the Sioux Falls Tennis Association and if that would continue, the Mayor indicated that the City works with all sports and would expect that to

continue. He would leave it up to Don Kearney and the Parks and Rec Board as to how to work with non-profit groups like the CITC and the ice group to provide access to the public. The Board recognized the Huether family's passion for tennis and acknowledged that the Mayor understands the need to remove himself from city matters that would deal with the CITC.

The Board asked the Mayor about naming rights to the indoor tennis facility. The Mayor advised that this has not been decided yet, but the name "Huether" may be in it.

Discussion was had that the naming rights would not create any monetary benefit to the Huether family. The Mayor confirmed that he and his family will receive no compensation of any kind. David Pfeifle also confirmed that the I.R.S. has ruled that naming rights for private individuals are valued at zero.

A motion was made by Bob Swanhorst and seconded by Ron Sisk that the Board have an opinion favorable to the donation of the Huethers. Discussion followed.

Ron Sisk amended the motion to state, in light of the Mayor's pledge to recuse himself from any future City involvement with the CITC, the Board finds no ethical issues under applicable law.

Jeff Gednalske further amended the motion to add no statutory or ordinance issues as well.

A substitute motion was made by Carol Knudtson and seconded by Ron Sisk that the Board finds no ethical problems with the Huether family donation to the CITC. No further discussion. Vote to approve. 4 Yeses. Motion passed.

A motion was made by Ron Sisk and seconded by Bob Swanhorst to allow counsel for the Board of Ethics, David Pfeifle, to draft a written advisory opinion consistent with the discussions and motion of the Board. Vote to approve. 4 Yeses. Motion passed.

NEXT MEETING

No specific date for the next meeting was scheduled.

ADJOURNMENT

A motion was made by Ron Sisk and seconded by Bob Swanhorst to adjourn. Vote to adjourn: 4 Yeses. Motion passed. Meeting adjourned at 11:29 a.m.

Respectfully submitted,

Cari Hanzel
Board Liaison/Recording Clerk