



April 19, 2024

Justin G. Smith
Justin.Smith@woodsfuller.com
Extension 634

Via E-Mail Only

City of Sioux Falls
c/o Mr. Jim David
Chief of Legislation & Policy
235 W. 10th Street
Sioux Falls, SD 57104

jim.david@siouxfalls.gov

Re: Professional Services Agreement – Childcare Affordability & Availability Initiative
City of Sioux Falls || Woods, Fuller, Shultz & Smith, P.C.

Dear Mr. David:

The City of Sioux Falls understands that the affordability and availability of childcare is a critical need in our community. Family stability, workforce development, and many other issues hinge on childcare services. Yet in recent years, the greater Sioux Falls area has experienced twin, interrelated crises: (i) local families struggle to afford childcare services, and (ii) the number of childcare facilities and professionals has shrunk precipitously.

To address these crises, the City of Sioux Falls wants to be proactive on childcare issues. The City has set goals to: (a) identify the nature and scope of the problems causing the crises, (b) formulate options for potential regulatory and programmatic solutions, and (c) partner with local businesses and community members to implement the best options. To pursue these goals, the City will retain Justin G. Smith and Woods, Fuller, Shultz & Smith, P.C. (“Woods Fuller”), to provide professional services including: (1) project management, (2) legal research, (3) coalition building, and (4) strategic planning. This Professional Services Agreement sets forth the terms for the services to be provided by Woods Fuller to the City.

Objective 1

- Identify regulatory changes or economic incentives that will create 3-5 in home childcare options each year.
- Timeline: Completion Date of July 15, 2024
- Fees for Professional Services: **\$25,000**

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Objective 2

- Develop a “Tri-Share” Pilot Program proposal for the City Council to consider establishing in the community for a limited time. Employers, Businesses, City Government, and Individuals partnering together to create affordable childcare and ensure availability of necessary spots for employers. The pilot program would narrow the focus to Infant – 2-year-old care.
- Timeline: Expected Completion Date of November 15, 2024
- Fees for Professional Services: **\$37,500**

Objective 3

- Identify opportunities that expand the use of existing state and federal childcare assistance funding programs and create a coalition of support to make any necessary changes.
- Timeline: Expected Completion November 15, 2024
- Fees for Professional Services: **\$12,500**

Total Professional Fees: **\$75,000**

My firm and I are prepared to provide these professional services to the City of Sioux Falls. Based on our discussions of the expectations, timelines, and required work for each of the objectives, we propose the fees identified above.

The South Dakota Rules of Professional Conduct governing client representation require our fee arrangement be communicated to our clients, preferably in writing. This letter will serve as our agreement for fees and sets forth the terms of our retainer.

In consideration of our agreement to represent you, you agree to pay the flat fees provided above, or at such other rates as we mutually agree to at a later date, plus sales tax and costs incurred on your behalf. I will be the attorney doing most of the work on your legal matter, but other attorneys, staff, and interns may be engaged to assist with the professional services. Regardless, the total fees charged will not exceed the amounts scheduled above. We will send all invoices to you by e-mail at the address shown above. Please advise if we should use other billing methods. We will work with the City to decide upon the timing of any invoice(s) in this matter.

Payment for services performed and expenses disbursed will be considered due and payable when billed. A statement will be sent monthly. Interest at the rate of twelve percent (12%) annually or one percent (1%) per month will be charged on the unpaid balance of all unpaid statements more than thirty (30) days overdue from the date the statement is sent. It is the practice of our law firm to destroy files approximately three (3) years following the closing of

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the file. Unless we hear from you to the contrary within thirty (30) days of the date of this letter, we will assume that we have permission to destroy the file after that time period.

We expect we will have the discretion to determine the means and methods to accomplish our representation in this case. We will work aggressively to achieve the desired outcome in this matter. It is our policy to be as responsive as possible to requests for information and to maintain regular communication with concerning pending matters. With the advent of the Internet, a large portion of our work is communicated electronically. We have software to filter out unwanted email (“spam”). If you contact our office by email and the email has not been acknowledged within 48 hours, please call us to ensure your email address is included in our acceptable email listing. Unless otherwise instructed by you, you will be receiving copies of all significant documents pertaining to the company’s matters. Please retain these documents for future reference in the event you have any questions concerning the progress of the matters.

You may terminate this representation at any time by notice in writing to us. Upon receipt of such notice, subject to such court approval as may be necessary in the context of the situation, we will promptly cease providing to you any services. You are responsible for paying for our services rendered up to the time we receive such notice and for the reasonable services we provide thereafter in connection with the transfer to your new counsel responsibility for your matters. Fees for services rendered through the date of termination will be billed hourly at the following rates:

Shareholder	\$400
Associate	\$300
Paralegal	\$175

We may terminate this representation by giving you written notice. Upon termination of our representation, you will be responsible for paying for our services rendered up to the time we terminate our representation and for such reasonable services we provide thereafter in connection with the transfer to your new counsel responsibility for your matters. The charges for those services will be at the same hourly rates set forth above.

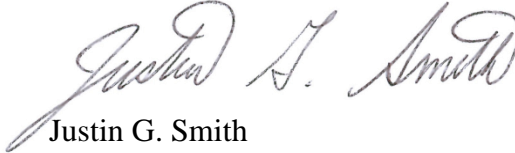
If you have questions about these terms or the proposed representation, please let me know. Please confirm this agreement in writing by signing a copy of this letter and returning it to me as soon as possible. You may retain the original letter for your records. Thank you.

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Kindest personal regards,

WOODS, FULLER, SHULTZ & SMITH P.C.



Justin G. Smith

AGREED AND ACCEPTED:

CITY OF SIOUX FALLS

By: _____

Its: _____

Date: April ____, 2024

Cc: Rich Merkouris (via e-mail)