

Bond Case Briefs

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EMPLOYMENT - SOUTH DAKOTA

Kolda v. City of Yankton

Supreme Court of South Dakota - August 6, 2014 - N.W.2d - 2014 S.D. 60

Police officer brought action against city for wrongful discharge. Following a jury trial, the Circuit Court awarded officer procedural due process damages, even though the jury found just cause existed to terminate officer's employment. Officer and city both appealed.

The Supreme Court of South Dakota held that:

- The narrow exception to the general at-will status for employees when an employer's discharge policy provides that termination will occur only for cause applied to police officer terminated by city for violating police department policies, but
- The Circuit Court lacked jurisdiction to resolve police officer's wrongful discharge claims against city, because officer failed to exhaust his administrative remedies.

The narrow exception to the general at-will status for employees when an employer's discharge policy provides that termination will occur only for cause applied to police officer terminated by city for violating police department policies. The statutory provisions governing city manager's appointment and removal powers limited city manager's removal power to officers and employees in the administrative service of the municipality, and because police officer's job was not an administrative position, the city manager's statutory removal power did not apply, and the policies of the employee handbook that provided officer could only be terminated with notice and for just cause were not negated.

The circuit court lacked jurisdiction to resolve police officer's wrongful discharge claims against city, because officer failed to exhaust his administrative remedies before suing city in the circuit court. While officer appealed his discharge to the city manager, he failed to appeal the city manager's decision to the Department of Labor and Regulation, the city handbook upon which officer relied for his lawsuit included an administrative grievance procedure that governed officer as a public employee, and officer's allegations against city fit the statutory definition of a grievance.