



City of Spearfish
City Council Study Session Minutes
September 13, 2023, 4:15 p.m.

The City Council Study Session was called to order by Council President Hodgs at 4:15 p.m. in the Council Chambers of City Hall on Wednesday, September 13, 2023. The following council members were present: Clark, Hodgs, Hourigan, Jacobs, Klarenbeek and Rath. Absent: Mayor Senden. City staff present were: City Administrator McFarland, City Attorney McDonald, Finance Officer DeNeui, Public Works Director Broyles, City Planner Kapsa, Parks and Recreation Director Ehnes, Assistant Chief of Police Dean, and Assistant Public Works Director McMahon.

Hourigan moved, Rath seconded, and all voted to approve the agenda as presented.

Items for Council Discussion:

Golden Crest Project Update – Todd Christensen, representative from Solitario Resources, provided a project update on the Golden Crest mining project. The update included who Solitario is, what they do, what they don't do and the socioeconomic impacts of their exploration. Clark asked what the diameter and depth is for the exploratory drilling. Christensen responded that mining exploratory drilling are to 500 meters and water wells can be 600 meters. Clark asked how the holes are filled. Christensen noted that they are filled with a bentonite cement material with the process being supervised by the State. Christensen noted that drilling can't be done on holiday dates to prevent interaction with people on recreational trails. Christensen also noted that Solitario hasn't drilled in South Dakota before but has drilled all over the world. Their company has approximately 40 employees and works with Black Hills State University and SD School of Mines and Technology for internships and studies. Clark asked if there was a possibility for added mining activity from the drilling. Christensen noted that if gold is found, there will likely be more mining, but the majority of exploration is a failure. If gold is found, there will be more opportunities for opposing the final mining permits as well. Christensen noted the water usage and drainage concerns expressed by the Council and other members of the public during prior public comments in that the water is being sourced from Lead, stored at the project site and 90% is recoverable when drilling. There are also state regulations to be followed when drilling regarding water usage and drainage. Clark also asked if there were other benefits to the exploration drilling. Christensen noted that through the sampling process it was found that a certain bat was in an area that was not previously known. Additionally, this is a multiple use and a responsible use of the forest, and the company is open to cooperation and communication with the public. City Planner Kapsa questioned the water impact analysis that was provided, and the consultation process the company has had with the local Native American tribes. Christensen noted they have reached out to the tribes, but no response and the US Forest Service handles the communications with the tribes.

Sportsplex Fundraising – Parks and Recreation Director Ehnes noted that staff and volunteers from the various sports organizations have attempted to fundraise for the planned \$2,000,000 donations or sponsorships needed for the Sky Ridge Sportsplex project. Those efforts have not been successful, so staff reached out to local professionals in the fundraising communities, and they declined to take on this project too. To solve this issue, a request for proposals was issued for a fundraising agency to

submit proposals to obtain sponsorships and fundraising for the complex. Three firms submitted proposals and those were scored by staff and a member of the Parks, Recreation, and Forestry Advisory Board. All three firms scored well so interviews were held with all firms. The review committee is recommending the proposal be awarded to Instigo Agency. Instigo Agency's costs are a retainer fee of \$48,000 and a commission of 8% of all funds secured which can be paid over ten years. This was also the most affordable option of the three submittals. Samson Oni, CEO of Instigo Agency, reviewed the company's history and strategy for the fundraising efforts. The council will consider awarding the proposal to Instigo Agency during the regular session on Monday, October 19, 2023.

Off-sale Liquor License Bid – Finance Officer DeNeui proposed a process to re-advertise for sealed bids for the one off-sale liquor license available in Spearfish. If approved by the full council, the publications would be made to set a bid opening date of November 15, 2023, at 1:30 p.m. The awarding of the bid would then be done during the November 20, 2023, City Council meeting. This would allow the successful bidder to complete the final application requirements and for a public hearing to be held during one of the City Council meetings in December. The license could be effective around January 1, 2024, so it would be of full use for all of 2024. The council will consider setting the bid opening during the regular session on Monday, October 19, 2023.

City Council Agenda:

Draft Agenda – The draft agenda for October 19, 2023, City Council Regular Session was previewed.

The public comment period was opened at 5:14 p.m. and closed with no comments being received.

No additional discussions were held and with a motion from Hourigan, seconded from Rath, the meeting was adjourned at 5:15 p.m.

