



AGENDA

Blackduck City Council Meeting

6:00 PM - Monday, January 9, 2023

City Hall, 8 Summit Drive, Blackduck MN

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a. Pledge of Allegiance	
b. Roll Call	
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5. BLACKDUCK FORUM

Visitors may share their concerns with Council on any issue, which is not already on the agenda. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual's presentation if it becomes redundant. The Mayor may also limit the number of individual presentations on any issue to accommodate the scheduled agenda items. All comments will be taken under advisement by the Council. No action will be taken at the time.

6.	REPORTS OF COMMITTEES AND CITY STAFF	
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 - [Chair Memo.2022 omnibus tax bill](#)
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- l. January 11, 2023 @ 11am - Blackduck Development Corporation Meeting - City Hall
- m. January 16, 2023 - City Offices closed in observance of Martin Luther King Jr. Day
- n. January 18, 2023 @ 2pm - Blackduck Planning Commission Meeting - City Hall
- o. January 19, 2023 @ 9:30am - Blackduck Ambulance Board Meeting - City Hall
- p. January 23, 2023 @ 6pm - Blackduck City Council Work Session
- q. February 6, 2023 @6pm - Blackduck City Council Regular Meeting
- r. May 2, 2023 @ 1pm Local Board of Appeal and Equalization Meeting - Blackduck City Hall 138
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- 8. MAYOR AND/OR COUNCIL MEMBER REPORTS
- 9. COMMUNITY EVENTS/GOOD THINGS HAPPENING
 - a. January 18, 2023 @ Noon - Blackduck Area Chamber of Commerce Meeting - Restaurant 71
- 10. ADJOURNMENT



MINUTES

Council Meeting

6:00 PM - Monday, December 5, 2022

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, December 5, 2022, at 6:00 PM, in the City Hall, 8 Summit Drive, Blackduck MN, with the following members present:

COUNCILORS PRESENT: Mayor Maxwell Gullette, Councilor Donald Johnson, Councilor Laurie Hamilton, and Council member Ronald Fredrickson

COUNCILORS EXCUSED: Councilor Nicholas Seitz

STAFF PRESENT: City Administrator Christina Regas, Public Works Director Mike Schwanke, Director of Liquor Operations Shawnda Lahr, and Librarian Kelly Hanks

OTHERS PRESENT: Chris Dirkes, Resident

1. CALL TO ORDER

- a. Pledge of Allegiance
Mayor Gullette led the meeting in the pledge of allegiance.
- b. Roll Call
Roll Call was taken by Administrator Regas.

2. APPROVAL OF AGENDA

- a.

Laurie Hamilton moved to approve the agenda as presented Ronald Fredrickson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

3. CONSENT AGENDA

All items listed under the Consent Agenda, unless removed from the Consent Agenda shall be approved by one Council motion.

- a. November 7, 2022 Blackduck City Council Public Hearing Minutes
- b. November 7, 2022 Blackduck City Council Regular Meeting Minutes
- c. November 14, 2022 Blackduck City Council 2022 General Election Canvassing Meeting Minutes

- d. November 17, 2022 Kitchigami Regional Library Board Meeting Packet and Minutes from September 2022
- e. November 21, 2022 Blackduck City Council Work Session Minutes
- f. December 1, 2022 - Blackduck Golf Board Meeting Minutes
- g. November 2022 Fund Balance Report
- h. November 2022 Bill Report
- i. ~~November 2022 Sewer Income Statement~~
- j. November 2022 Water Income Statement
- k. November 2022 Pine Tree Park & Blackduck Beach Income Statement
- l. November 2022 Golf Course Income Statement
- m. November 2022 Liquor Store Income Statement
- n. October 2022 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- o. Final Approval - Melissa's Cleaning 2023 Contract for Services
- p. Final Approval - November 2022 Business Credit Card Payment Batch
- q. Final Approval - General Corporate License - 2023-01 - Blackduck Theater
- r. ~~Final Approval - Proposal for services - City of Blackduck Public Works and Marco Business Print Solution~~
- s. ~~Final Approval - Proposal for Services - City of Blackduck and Marco for City Hall Business Print Services~~
- t. Final Approval - 2023 Labor Agreement between City of Blackduck and IUO Local 49 - Final
- u. Final Approval - Correspondence to Grant Frenzel VP of Deerwood Bank - Purchase / Sale of Bank Property in Blackduck
- v. Final Approval - Grant Agreement between Blandin Foundation and City of Blackduck - Blandin Leadership Boost Grant
- w. Final Approval - City of Blackduck Spending Plan for TIF District(s) 1-4 & 1-6 - prepared by Ehlers
- x. Final Approval - Pay Request #8 - Combined Maintenance & Police Facility & TNT Construction Group LLC
- y. Final Approval - December 2022 New Employees Hired
- z. Final Approval - December 2022 Property Tax Statement - 2nd Half
- aa. Final Approval - Blackduck Bowling Lanes 2023 - 3.2 Malt Liquor & On-Sale Wine Liquor License
- ab. Final Approval - Satisfaction of Mortgage - City of Blackduck and Erica Zanter (Mattila) - 141 Liberty Drive
- ac. Final Approval - 2021 LMCIT Workers Compensation Insurance Premium Audit Adjustment - City of Blackduck
- ad. Final Approval Needed - Month End Remittance Report for November 2022
- ae. Final Approval Needed - ARPA Funds committed to Lift Station improvements - Invoice 19759
- af. November 2022 - General Fund Expense to Revenue Statement

Maxwell Gullette moved to approve the consent agenda removing item(s) 'i, r, s' for further discussion
Laurie Hamilton seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

ag. Items of further discussion from the consent agenda:

i. November 2022 Sewer Income Statement - Council member Fredrickson requested clarification on the irrigator claim on the income statement with expenses and revenue off-setting less the deductible. Regas confirmed both are noted and booked accordingly. Nothing further.

r. Final Approval - Proposal for services - City of Blackduck Public Works and Marco - Business Print Solution

s. Final Approval - Proposal for services - City of Blackduck and Marco for City Hall - Business Print Solution -

Council member Fredrickson requested clarification on the lease/service agreement(s) asking if City Hall currently has services from Marco. Regas explained the new agreements will support print services for the Public Works and Police offices in the new facility. Regas states the current leased machine in City Hall that has 2 years remaining on the agreement will relocate to the Police office in the new facility and the Public works agreement will be new. Regas further states the new agreement for City Hall will replace the existing large format machine in the public works office at City Hall providing large format printing in City Hall but with a new machine. Regas further states City Hall will use the new lease to replace the stand-alone laser color machine the City owns simplifying the office machines. Regas continued stating the lease agreement(s) with Marco provide service if any machine were to fail and consumables. Fredrickson asked for confirmation that the City would be adding 2 copiers to the fleet of machines. Regas confirmed. Fredrickson asked for the current lease amount for City Hall for comparison. Regas stated @ \$154-165 and will increase to \$190 to allow for large format and color. Councilor Hamilton asked if the existing machine would then move to the Police Department. Regas confirmed. Gullette asked if the new machine for City Hall will be used for the DMV. Regas confirmed. No further questions.

Ronald Fredrickson moved to approve consent agenda items 'i, r, s' Laurie Hamilton seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

4. 2022 TRUTH IN TAXATION PUBLIC HEARING - CHRISTINA REGAS, CITY ADMINISTRATOR

(Mayor Gullette to close the regular meeting and open the public meeting - Truth in Taxation)

a. Truth in Taxation Presentation - City Administrator, Christina Regas

Regas presented the supplied report included in the agenda packet. Mayor Gullette took questions from the public.

Resident Chris Dirkes asked if the City is aware of the mill rate of the City of Blackduck and supplied the city council with a page from the League of MN Cities for reference of last years. Dirkes outlined the mill rate of Blackduck is the highest in the county and one of the highest in the state of Minnesota. Dirkes states his city tax is up another 21% and hasn't dropped below that percentage for some time. Councilor Fredrickson asked if that was a residential property. Dirkes confirmed. Hamilton stated hers was up 17%. Dirkes states his property value went up 30% and his homestead exclusion reduced increasing his tax. Regas outlined how the homestead exclusion reduces as valuations increase.

Mayor Gullette asked a second time for questions.

Hamilton stated the city doesn't have enough taxable property to spread out the taxes. Hamilton states her taxes in Bemidji are higher and she owns a 100+ year old home. Hamilton states unless the City can increase its tax base the rate will continue increase. Dirkes compared his County tax to his City tax noting his City tax is double his County tax. Gullette thanks Dirkes for attending the public hearing each year encouraging more tax payers to attend the hearing for feedback and ideas. Dirkes states there are only two options, cut spending or increase the money you are taking in.

Mayor Gullette asked a third time for public comment.

No further comments made.

Donald Johnson moved to close the regular meeting at 6:07pm and open the public meeting Laurie Hamilton seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

Maxwell Gullette moved to close the public hearing at 6:35pm and reopen the regular meeting Laurie Hamilton seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

b.

5. **BLACKDUCK FORUM**

Visitors may share their concerns with Council on any issue, which is not already on the agenda. Each person will have 3 minutes to speak. The Mayor reserves the right to limit an individual's presentation if it becomes redundant. The Mayor may also limit the number of individual presentations on any issue to accommodate the scheduled agenda items. All comments will be taken under advisement by the Council. No action will be taken at the time.

- a. no one was present to speak during the Blackduck Forum.

6. **REPORTS OF COMMITTEES AND CITY STAFF**

6.1. **PUBLIC WORKS REPORT - MIKE SCHWANKE, PUBLIC WORKS DIRECTOR**

6.1.1. Council Consideration - Purchase of used vehicle for public works / street department

Schwanke requested the City Council continue the discussing on using remaining 2022 budgeted funds for the purchase of a third used vehicle for his department. Hamilton asked for clarification on remaining budget lines asking if some fund lines are over and under spent. Schwanke stated his budget has overspent lines due in part to the building construction. Hamilton asked if any of the existing budget fund lines have remaining funds that will move into 2023. Regas tried to provide insight to how the building construction expenses have affected the public works budgets. Hamilton asked if any of the over/under spending and the building expenses provide funding for the third vehicle. Schwanke stated no the overages are very large and could not be covered by the remaining budget but if that funding for the building is removed then yes. Regas states any unspent funding stays in that fund budget cash balance but the rest is gone and his budget re-sets. Schwanke states that if an amount is budgeted ex. \$10,000 for a year and only \$5,000 is spent it isn't added into the next year's budget it just isn't spent.

Hamilton asked if there is a calculated cost of expense for the third vehicle considered. Schwanke stated he had not provided it due in part to wanting council approval first but it would be minimal.

Mayor Gullette does not recommend a vote as the full council was not present and the amount being considered is \$3-5,000.

Regas will remove the item from future agendas.

6.1.2. Report -

Schwanke reports his department has been cleaning up small snow amounts and working on getting ready to move into the new building.

6.2. **LIQUOR STORE REPORT - SHAWNDA LAHR, DIRECTOR OF LIQUOR OPERATIONS**

6.2.1. Report -

Lahr reports a successful hunting season and hoping for good ice and a good December January sales months. Lahr states Sunday traffic is good when Vikings are playing. Nothing further.

6.3. **LAW ENFORCEMENT REPORT - ROBERT FRAIK, INTERIM POLICE CHIEF**

6.3.1. November 2022 Police Department Call Report

Mayor Gullette thanked Interim Chief Fraik for the report and requested Regas send comments to him.

6.4. LIBRARY REPORT - KELLY HANKS, HEAD LIBRARIAN

6.4.1. Report -

Hanks provided a summary of traffic and programs offered at the library in the previous months. Hanks requested assistance cleaning snow on the weekends as the KRLS part-time staff has unionized and is not part of their job description. Hanks states there is an Open House on December 20th from 1-6pm.

7. ADMINISTRATOR'S REPORT

- a. Approval Needed - Resolution 2022-20 - In the Matter of the orderly annexation between the City of Blackduck and Hines Township pursuant to Minnesota Statutes §414.0325

Donald Johnson moved to approve Resolution 2022-20 Laurie Hamilton seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

- b. Approval Needed - Resolution 2022-28 - Resolution designating polling places for 2023

Laurie Hamilton moved to approve Resolution 2022-28 Donald Johnson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

- c. Approval Needed - Quit Claim Deed - Between the City of Blackduck and Shannon K. Kampa & Larry J. Kampa

Ronald Fredrickson moved to approve the Quit Claim Deed between the City of Blackduck and Kampa's Laurie Hamilton seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

- d. Approval Needed - Resolution 2022-19 Revision 01 - Resolution authorizing the sale of public property in the city limits of the City of Blackduck, MN pursuant to Mn Department of Economic Development Demolition Loan Program Agreement (RDLP-21-0001-O-FY21)

Laurie Hamilton moved to approve Resolution 2022-19 - Revision 01 with the addition of Exhibit A
Ronald Fredrickson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

- e. Approval Needed - Resolution 2022-30 - Resolution adopting a schedule of fees and charges for various services, licenses, & permits for the City of Blackduck, MN for 2023

Laurie Hamilton moved to approve Resolution 2022-30 Donald Johnson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

- f. Approval Needed - 2023 Special & Enterprise Fund Revenue and Operating Budgets

Laurie Hamilton moved to approve the 2023 Special and Enterprise Fund budgets Ronald Fredrickson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

- g. Approval Needed - Resolution 2022-27 - Resolution approving final 2022 tax levy, collectable in 2023

Maxwell Gullette moved to approve the Resolution 2022-27 approving the final 2022 tax levy collectable in 2023 in the amount of \$373,941 Laurie Hamilton seconded the motion.

Roll Call vote was requested

Carried 3 to 1

Maxwell Gullette	For
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Donald Johnson	Against
Laurie Hamilton	For
Ronald Fredrickson	For

- h. December 14, 2022 @ 11am - Blackduck Development Corporation Meeting - Blackduck City Hall
- i. December 15, 2022 @ 10:30am - Blackduck Combined Maintenance & Police Facility Construction Meeting - Blackduck City Hall
- j. December 15, 2022 @ 6pm - BAAI 2022 Truth in Taxation Meeting - Blackduck City Hall
- k. December 19, 2022 @ 6pm - Blackduck City Council Work Session
- l. December 21, 2022 @ 2pm - Blackduck Planning Commission Meeting - Blackduck City Hall
- m. December 26, 2022 - Christmas Day Holiday Observed - City Hall Offices Closed
- n. January 2, 2023 - New Year's Day Holiday Observed - City Hall Closed
- o. January 9, 2023 @ 6pm - Blackduck City Council Regular Meeting - Blackduck City Hall

8. MAYOR AND/OR COUNCIL MEMBER REPORTS

- a. Nothing discussed.

9. COMMUNITY EVENTS/GOOD THINGS HAPPENING

- a. December 21, 2022 @ Noon - Blackduck Chamber Meeting - Hungry Duck Restaurant
- b. December 7, 2022 @ 5-7pm - Blackduck Chamber After Hours - Choice Therapy
- c. Blackduck Area Chamber of Commerce Shop Local Holiday Promotion

10. ADJOURNMENT

- a.

Donald Johnson moved to adjourn the regular meeting at 7:16pm Ronald Fredrickson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

City Administrator, Christina Regas

Maxwell Gullette, Mayor



BLACKDUCK PERSONNEL COMMITTEE

THURSDAY, DECEMBER 15TH, 2022 @ 3AM

MEETING MINUTES

DUE TO SCHEDULING CONFLICTS ON ORIGINAL MEETING DATE, THE COMMITTEE MEMBERS AGREED TO REVIEW NEW BUSINESS DOCUMENTS VIA EMAIL AND REPORT TO ADMINISTRATOR REGAS WITH FEEDBACK.

Roll Call

Committee Members to respond to email authorization included: Councilor Donald Johnson, Director of Liquor Operations Shawnda Lahr, Public Works Director Mike Schwanke, and City Administrator Christina Regas

Committee Members Absent: n/a

Topics covered in the personnel meeting were as follows:

OLD BUSINESS:

1. Revised Drug & Alcohol Testing & Drug Free Workplace Act Policy – not discussed
2. Liquor Department Payroll expenses – continued from October meeting - not discussed.
3. Language clarification to Holiday Pay Policy – for part-time employees - not discussed.

NEW BUSINESS:

1. 2023 City Employee Wages – final approval of 2023 wages for employees. – Provided via share file email format was the wage recommendations for employees for 2023. No changes were made from the budget meetings of the finance committee meetings for the preliminary levy or final levy and no changes were made from the special and enterprise revenue budgets for 2023.

The response to the wages were as follows:

Committee Member Lahr – approved

Committee Member Schwanke – approved

Committee Member Johnson – approved

Committee Member Regas – approved

All Committee members agreed to recommend final approval to the City Council.

Nothing further.

ADJOURN – All committee members responded to feedback request via email or in-person by Monday, December 19, 2022.

Christina Regas, City Administrator

Maxwell Gullette, Mayor



MINUTES

Council - Work Session Meeting

6:00 PM - Tuesday, December 27, 2022

City Hall, 8 Summit Drive, Blackduck MN

The Council - Work Session of the City of Blackduck was called to order on Tuesday, December 27, 2022, at 6:00 PM, in the City Hall, 8 Summit Drive, Blackduck MN, with the following members present:

COUNCILORS PRESENT: Mayor Maxwell Gullette, Councilor Donald Johnson, Councilor Laurie Hamilton, and Council member Ronald Fredrickson

COUNCILORS EXCUSED: Councilor Nicholas Seitz

STAFF PRESENT: City Administrator Christina Regas and Public Works Director Mike Schwanke

OTHERS PRESENT: Brent Dammann, Widseth

1 CALL TO ORDER

- a) Pledge of Allegiance
Mayor Gullette dispensed with the pledge of allegiance.
- b) Roll Call
Administrator Regas took roll of those present to the meeting.

2 APPROVAL OF AGENDA

- a)

Ronald Fredrickson moved to approve the agenda as presented Laurie Hamilton seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For
Ronald Fredrickson	For

3 OLD BUSINESS

- a) Public Works / Public Safety Facility - Updates
Regas and Dammann updated the board on the progress of the facility with field reports 13 & 14. There were no questions except for the deadline. Dammann reported the timing of the start up of the HVAC is pending the sheet rock taping and sanding to not void any warranty on the system. Dammann stated substantial completion date will be discussed on December 29th. Regas stated the December 29th meeting will be the last construction meeting.

Regas reported having the old law enforcement building being listed for sale and a purchase agreement signed. Regas reported the certificate of survey and deed moving lot 16 to the library parcel has been completed and sent to Beltrami County Recorder. Regas reports the purchase agreement on the old law enforcement has a pending closing date of April 15, 2023 pending the completion of the new facility. Councilor Johnson states he believes the value of the materials of the building is higher nowadays than when it was constructed and asked what the building was selling for. Regas stated due to the age of the building it is difficult to place a hard value on the structure but it could be more than what it would sell for. Councilor Fredrickson asked what the purchase price of the building. Regas reports \$25,000. Fredrickson asked if the party that is purchasing the property is a tax payer and what the building will be used for. Regas reports she believes the building would be reused and not just for storage.

Regas provided the summary of the interest payment that is due on the construction loan. Regas provided background on the payment breakdown for the construction by noting the closing memo from Ehler's approved in June 2022. Regas reports the breakdown of the interest payment has much of the payment covered by water and wastewater funds, but the CIP portion should be covered from the general fund. Regas states her concern to cover the payment from operating general fund but to use funds in the general reserve account instead until the sale of the buildings is completed. Regas further reminded the council that the interest payment could not be levied for in 2023 and reserve funds or cash was to be used. Gullette asked for the current balance of the reserve account. Regas could not speak to the exact number but would have a better scenario at the January council meeting.

- b) Downtown Redevelopment Project - Main Street North - updates
Regas reports the Main Street project is awaiting title paperwork for the closing of the property. Councilor Johnson asked what is going into the space. Regas did not know. Johnson asked if someone local is buying it. Johnson stated yes.
- c) Kitchigami Regional Library Capital Appropriation Project - updates
Nothing new to report.
- d) Limited DMV
Regas reports Watson and herself have been training on site in Cass Lake and online; equipment purchases of barcode scanners and document scanner have been made; and the launch date is still pending. Nothing further.
- e) City of Blackduck Property - Annexation Process
Regas reports the completed paperwork have been turned over to the City attorney and her office is awaiting updates.
- f) HSEM & FEMA DR-4659 Disaster - updates
Regas reports working with FEMA on table top inspections on inventory items at this time and pulling together damage values.
- g) Blackduck Co-op MnDot Railbank Land Conveyance - updates
Regas reports the conveyance letter draft is prepared for council authorization with the updated exhibit showing only one right of way the state will approve. Regas will have the letter approved by the board on January 9th, 2023.
- h) Local Option Sales Tax - updates
Regas reports working on revising the local option sales tax resolution and working with Wideseth on reviewing costs on potential projects to fund. Regas reports three projects estimated costs have increased since the original submission with the state tax committees. Regas requested feedback if the board members wish to revise the list of projects or keep all projects with new estimates. Board members discussed the

increase costs of those projects and their significance to the community and decided to keep all 5 projects in the sales tax request.

i) Cedar Avenue West / Property Line & Adjacent Landowner request - updates

Regas reports communication with Carmen Zaleski states that no action at this time will move forward with the property line. Regas provided the certificate of survey retrieved from Beltrami County GIS provided in 2006 but there is no deed on file with the recorder's office have ownership to Cedar Ave or the alley adjacent to it. The board agreed to leave the topic off the agenda until further communication from Zaleski. Nothing further.

j) Old Duck Renovation(s) - updates

Regas reports having communication with the company Jensen Conservation regarding the Old Duck. Regas states Jensen has completed restoration on several historic and non-historic statues throughout the nation. Regas states Jensen's company has completed the restoration on Paul and Babe in Bemidji and is willing to drive to Blackduck to survey the Duck to provide an estimate of costs to renovation to the Duck. Regas states Jensen would expect mileage and 2 nights stay for that inspection date in Spring of 2023, Jensen is located in Omaha Nebraska. Regas recommends the City consider hosting Jensen and begin working on fundraising for the renovations. Regas suggests Region 2 Arts Council and/or Beltrami Electric Roundup grants to fund the inspection costs. Gullette suggests having other community members to the next work session like the History Center board members, or Chamber members to assist in the process. Regas further suggests the City work towards putting the Old Duck on the Historic Registry as this will provide further funding in the future.

The board members agreed to fund the costs to have Jensen Conservation make the trip in Spring 2023 to inspect the Old Duck. Regas will work on applying for a Round Up Grant for the costs.

4 NEW BUSINESS

a) Resolution 2023-02 - Resolution of annual appointments and designations for 2023

Regas presented the appointments and designations resolution for approval in 2023. Board members agreed to appoint a new Vice Mayor; add a 2nd council member to the Finance Committee; update the History Preservation Board and Library Board Members; and keep Widseth as the designated Engineering company.

Further conversation regarding the appointed Engineering company provided insight to consideration of updating this assignment. After much discussion the board agreed to keep Widseth on the appointments but requested Regas submit an RFP for the City Engineer.

b) OSA Analysis of Municipal Liquor Store Operations for the year ended 2021

Regas provided the 2021 Liquor store report from the OSA to the City Council. Nothing further.

5 ADJOURNMENT

a)

Laurie Hamilton moved to adjourn the meeting at 7:31pm Donald Johnson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Donald Johnson	For
Laurie Hamilton	For

Ronald Fredrickson

For

Christina Regas, City Administrator

Maxwell Gullette, Mayor

January 9, 2023

FUND	Deerwood Checking BEGINNING BALANCE	Bill Report through 1/9/2023	Deerwood Checking ENDING BALANCE	Deerwood First Preferred Savings BEGINNING BALANCE	Deerwood First Preferred Savings Bill Report through 1/09/2023	Deerwood First Preferred Savings ENDING BALANCE	Total Balance of all Accounts
GENERAL (101)	\$235,567.17	\$29,544.89	\$206,022.28	\$68,675.90	\$13,140.56	\$55,535.34	
POLICE RESTRICTED CASH	\$31,129.09	\$0.00	\$31,129.09	\$0.00	\$0.00	\$0.00	
CEMETERY (201)	(\$7,394.90)	\$0.00	(\$7,394.90)	\$2,659.04	\$0.00	\$2,659.04	
PERPETUAL CARE (202)	\$12,091.60	\$0.00	\$12,091.60	\$53,418.01	\$0.00	\$53,418.01	
SEWER MAINTENANCE (204)	\$0.00	\$0.00	\$0.00	\$59,990.18	\$0.00	\$59,990.18	
SEWER REPLACE. (205)	\$0.00	\$0.00	\$0.00	\$54,153.85	\$0.00	\$54,153.85	
SCDP REVOLVING LOAN FUND (207)	\$0.00	\$0.00	\$0.00	\$6,193.99	\$0.00	\$6,193.99	
FIRE DEPT RESERVE (TruckFund) (208)	\$0.00	\$0.00	\$0.00	\$320,374.08	\$0.00	\$320,374.08	
PINE TREE PARK (209)	\$17,503.04	\$400.73	\$17,102.31	\$15,000.00	\$0.00	\$15,000.00	
WATER SINKING FUND (212)	\$0.00	\$0.00	\$0.00	\$162,259.76	\$0.00	\$162,259.76	
PUBLIC WORKS RESERVE FUND (215)	\$0.00	\$0.00	\$0.00	\$12,956.47	\$0.00	\$12,956.47	
Fire Dept Special Equip Fund (216)	\$575,399.22	\$0.00	\$575,399.22	\$26,527.85	\$0.00	\$26,527.85	
2018 Revolving Loan Fund (250)	\$0.00	\$0.00	\$0.00	\$293,715.23	\$0.00	\$293,715.23	
2006 GO BOND (307)	\$53,001.18	\$0.00	\$53,001.18	\$33,368.75	\$0.00	\$33,368.75	
2009A Refunding Bond (309)	\$38,692.08	\$0.00	\$38,692.08	\$13,942.37	\$0.00	\$13,942.37	
2011 Industrial Lane IntraLoan (311)	\$7,018.92	\$0.00	\$7,018.92	\$0.00	\$0.00	\$0.00	
2014A Disposal System Loan (314)	\$26,571.38	\$9,510.00	\$17,061.38	\$0.00	\$0.00	\$0.00	
2017A Disposal System Project/Sum/Main (316)	\$33,281.20	\$0.00	\$33,281.20	\$0.00	\$0.00	\$0.00	
2017A Disposal Sys Loan (317)	\$19,149.59	\$0.00	\$19,149.59	\$0.00	\$0.00	\$0.00	
2017 PFA Debt Sys Bond Debt Service (320)	\$62,345.51	\$0.00	\$62,345.51	\$0.00	\$0.00	\$0.00	
2018 Frontage/Pine Ave Internal Loan (325)	\$12,732.01	\$0.00	\$12,732.01	\$0.00	\$0.00	\$0.00	
TAX INCREMENT FINANCING (376)	\$0.00	\$0.00	\$0.00	\$133,267.20	\$0.00	\$133,267.20	
Blackduck HRA Fund (210)	\$10,961.87	\$0.00	\$10,961.87	\$0.00	\$0.00	\$0.00	
2022 CIP Project Fund (380) <i>PW/PS Facility</i>	\$308,850.24	\$0.00	\$308,850.24	\$0.00	\$0.00	\$0.00	
Capital Project Fund (401) <i>for city projects</i>	\$32,966.10	\$0.00	\$0.00	(\$56,028.84)	\$0.00	(\$56,028.84)	
WATER FUND (601)	\$130,131.13	\$76,683.73	\$53,447.40	\$0.00	\$0.00	\$0.00	
SEWER FUND (602)	\$91,906.84	\$34,872.29	\$57,034.55	\$0.00	\$0.00	\$0.00	
LIQUOR FUND (609)	\$159,507.45	\$141,910.87	\$17,596.58	\$0.00	\$0.00	\$0.00	
LIQUOR RENT FUND	\$10,538.96	\$0.00	\$10,538.96	\$0.00	\$0.00	\$0.00	
GOLF COURSE (613)	(\$174,454.70)	\$10,979.51	(\$185,434.21)	\$0.00	\$0.00	\$0.00	
Total:	\$1,687,494.98	\$303,902.02	\$1,350,626.86	\$1,200,473.84	\$13,140.56	\$1,187,333.28	\$2,537,960.14

Transfer Recommended:

Fund Transfer from:	Fund transfer to:	Reason:	Amount of Transfer:
Deerwood Checking Water Fund (601)	Deerwood Savings Water Sinking Fund (212)	Budgeted Depreciation	\$11,500.00
Deerwood Checking Sewer Fund (602)	Deerwood Savings Sewer Replacement Fund (205)	Budgeted Depreciation	\$25,000.00
Deerwood Checking Liquor Fund (609)	Deerwood Checking Cemetery Fund (201)	Budgeted Transfer	\$2,500.00
2023 Bond Payments:	Principal:	Interest:	Fees:
2021A General Obligation Debt Liquor (609)	\$30,000.00	\$5,420.00	\$475.00
2022A General Obligation Debt PW/PS (101, 601, & 602)	\$0.00	\$23,798.33	\$237.50
2012A General Obligation Debt (601)	\$45,000.00	\$7,946.25	\$0.00
2012 General Obligation Debr (613)	\$10,000.00	\$195.00	\$0.00
			\$10,195.00

Debt Service Statement

WIRES due by January 31, 2023
CHECKS due by January 25, 2023

City of Blackduck

8 Summit Ave NE
 PO Box 380
 Blackduck, MN 56630-0380

Statement #: 75148
 Statement Date: December 14, 2022

RE: \$1,965,000.00 General Obligation Temporary Bond, Series 2022A

<u>Debt Service Date</u>	<u>CUSIP</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Due</u>
02-01-2023	092282	\$0.00	\$23,798.33	\$23,798.33

Payment Instructions

WIRES due by January 31, 2023

Wells Fargo Bank, San Francisco, CA
 ABA #: 121000248
 BNF: BTSC Paying Agent Account
 Account #: 4126695238
 Ref: 339729

CHECKS due by January 25, 2023

Make check payable to:
 Bond Trust Services Corporation
 Ref: 339729
 Send to:
 Bond Trust Services Corporation
 Attn: Accounts Receivable
 3060 Centre Pointe Drive, Suite 110
 Roseville, MN 55113-1105

Please direct any questions to:
 Accounts Receivable, (651) 209-1010

Interest Payment Break-down recommendation for General Obligation Temporary Bond, Series 2022A

Equipment Portion: 601-43200-612 - \$1,877.22 (Water DW Checking Cash Account)
 602-43200-611 - \$1,877.22 (Sewer DW Checking Cash Account)

Utility Revenue Portion: 601-43200-610 - \$3,451.66 (Water DW Checking Cash Account)
 602-43200-610 - \$3,451.66 (Sewer DW Checking Cash Account)

CIP Portion (General Fund): 101-43100-611 - \$6,570.28 (Streets DW Savings Account)
 101-42110-611 - \$6,570.28 (Police DW Savings Account)

Total Payment - \$23,798.32 (funding to return to cash accounts after sale of City Property (less Police Dept))

For your convenience, multiple Statements/Invoices may be combined in one payment.

Thank you for your business!

June 23, 2022

CLOSING MEMORANDUM FOR:

City of Blackduck, Minnesota

**\$1,965,000 General Obligation Temporary Bond,
Series 2022A**



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, MN 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

CLOSING MEMORANDUM

TO: Christina Regas, City Administrator
Mary Ippel, Taft Stettinius & Hollister LLP
Nha Nguyen, Bond Trust Services Corporation

FROM: Todd Hagen/Shelly Eldridge/Keith Dahl/Rose Xiong, Ehlers

DATE: June 20, 2022

SUBJECT: City of Blackduck, Minnesota, (the "City")
\$1,965,000 General Obligation Temporary Bond, Series 2022A (the "Bond")

DATED DATE/CLOSING DATE: June 23, 2022

Funds to be wired by the Purchaser:

In connection with the above closing, proceeds will be wired by the purchaser, Northland Securities, Inc., as follows:

Wire Instructions	Amount Wired
1) To the City:	\$1,911,481.75
2) To Wells Fargo Bank ¹ :	<u>49,490.00</u>
Total Proceeds:	<u>\$1,960,971.75</u>

If you would like to verify the wire instructions in detail, please contact Ehlers at (651) 697-8500 and ask for the Bond Sale Department.

¹ Wells Fargo Bank will disburse the costs of issuance detailed on the following page.

Calculation of Available Funds

Par Amount of the Bond		\$1,965,000.00
Plus: Original Issue Premium		<u>4,106.85</u>
ISSUE PRICE/GROSS PRODUCTION		\$1,969,106.85
Less: Underwriter's Discount		<u>(8,135.10)</u>
PURCHASE PRICE		\$1,960,971.75
TOTAL AVAILABLE FUNDS		\$1,960,971.75
Less: Costs of Issuance ¹		
Ehlers (Municipal Advisor)	\$28,800.00	
Taft Stettinius & Hollister LLP (Bond Counsel)	9,000.00	
S&P Global Ratings (Rating Agency)	10,750.00	
Bond Trust Services Corporation (Paying Agent)	740.00	
Beltrami County (Auditor Certificate Fee)	<u>200.00</u>	
Total Issuance Costs		<u>(49,490.00)</u>
NET AVAILABLE FUNDS		<u>\$1,911,481.75</u>

Distribution of Available Funds

	Bond Proceeds	Total
Deposit to Capital Account		
Proceeds available for Project Costs	\$1,911,481.75	
Total Deposit to Capital Account		<u>\$1,911,481.75</u>
TOTAL FUNDS RECEIVED BY THE CITY	\$1,911,481.75	
TOTAL DISTRIBUTION OF NET AVAILABLE FUNDS		<u>\$1,911,481.75</u>

Interest Earnings on Capital Account

Monies in the Capital Account may be invested temporarily during construction in investments permitted by Minnesota Statutes. Any interest earnings or bond funds remaining in the Capital Account after all project costs have been paid must be transferred to the Debt Service Account for the Bond.

¹ Wells Fargo Bank will disburse the costs of issuance listed above from the proceeds wired to them.

Summary of Funds Available for Financing Project Costs

Source of Funds	Amount
Bond Proceeds Deposited to Capital Account – Equipment Portion	\$301,556.92
Bond Proceeds Deposited to Capital Account – Utility Revenue Portion	554,475.61
Bond Proceeds Deposited to Capital Account – Capital Improvement Plan (CIP) Portion	<u>1,055,449.22</u>
Total Funds Available for Financing Project Costs	<u>\$1,911,481.75</u>

Use of Funds	Amount
To temporarily finance with City funds for the construction of a new public works and public safety building described in the City's 5-Year Capital Improvement Plan dated September 14, 2020, in anticipation of a long-term loan from the United States Department of Agriculture, Rural Development	<u>\$1,911,481.75</u>
Total Uses	<u>\$1,911,481.75</u>

Schedule of Principal and Interest Payments

The Schedule of Principal and Interest Payments including respective CUSIP number follows this report.

Payment Instructions for Obligations Issued in Book-Entry-Only Form with a Paying Agent

The Bond has been issued in "Book-Entry-Only" form, and the City has named Bond Trust Services Corporation to be the Paying Agent for the Bond. Therefore, on a semi-annual basis the City will be invoiced by the Paying Agent for the interest and on an annual basis for the principal coming due on the Bond. In addition, the City will be invoiced for Paying Agent/Transfer Agent charges on a regularly scheduled basis.

The City should provide a copy of this Closing Memorandum to their auditor for year-end purposes. For all details of the Bond and Issuer responsibilities, please refer to the Final Official Statement and Award Resolution.

If you have any questions regarding the closing, the calculation and use of proceeds, or debt service payments, you can reach us at the following phone numbers or e-mails:

Name	Phone	E-mail
Todd Hagen	(651) 697-8508	thagen@ehlers-inc.com
Shelly Eldridge	(651) 697-8504	seldridge@ehlers-inc.com
Keith Dahl	(651) 697-8595	kdahl@ehlers-inc.com
Rose Xiong	(651) 697-8589	rxiong@ehlers-inc.com

Attachments:

- A. Sources and Uses
- B. Detailed Costs of Issuance
- C. Principal & Interest Payment Schedules

City of Blackduck, Minnesota

\$1,965,000 General Obligation Temporary Bond, Series 2022A

Issue Summary

Public Works & Public Safety - CIP - Equip

Total Issue Sources And Uses

Dated 06/23/2022 | Delivered 06/23/2022

	CIP	Utility Revenue (444)	Equipment	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$1,085,000.00	\$570,000.00	\$310,000.00	\$1,965,000.00
Reoffering Premium	2,267.65	1,191.30	647.90	4,106.85
Total Sources	\$1,087,267.65	\$571,191.30	\$310,647.90	\$1,969,106.85
Uses Of Funds				
Total Underwriter's Discount (0.414%)	4,491.90	2,359.80	1,283.40	8,135.10
Costs of Issuance	27,326.53	14,355.89	7,807.58	49,490.00
Deposit to Project Construction Fund	1,055,449.22	554,475.61	301,556.92	1,911,481.75
Total Uses	\$1,087,267.65	\$571,191.30	\$310,647.90	\$1,969,106.85

City of Blackduck, Minnesota

\$1,965,000 General Obligation Temporary Bond, Series 2022A

Issue Summary

Public Works & Public Safety - CIP - Equip

Detail Costs Of Issuance

Dated 06/23/2022 | Delivered 06/23/2022

COSTS OF ISSUANCE DETAIL

Municipal Advisor	\$28,800.00
Bond Counsel (Taft Stettinius & Hollister)	\$9,000.00
Rating Agency Fee (S&P)	\$10,750.00
Paying Agent (Bond Trust Services)	\$740.00
Beltrami County Fee	\$200.00
TOTAL	\$49,490.00

PRINCIPAL AND INTEREST PAYMENT SCHEDULEIssue ID# **339729**

City of Blackduck, MN

Dated Date: **6/23/2022**

\$1,965,000 General Obligation Temporary Bond, Series 2022A

Call Date: **2/1/2023**

CUSIP No.

Base:

Payment Date	Principal	Rate	Interest	Total P & I	Fiscal Total	092282
2/1/2023	-	-	23,798.33	23,798.33	23,798.33	
8/1/2023	1,965,000.00	2.000	19,650.00	1,984,650.00	1,984,650.00	EL2
Totals	1,965,000.00		43,448.33	2,008,448.33	2,008,448.33	

PRINCIPAL AND INTEREST PAYMENT SCHEDULE BY PURPOSE

Issue ID# 339729

City of Blackduck, MN

Dated Date: 6/23/2022

\$1,965,000 General Obligation Temporary Bond, Series 2022A

Call Date: 2/1/2023

ALLOCATION OF DEBT APPLICABLE TO:									
Equipment Portion				Utility Revenue Portion			CIP Portion		
Payment Date	Principal	Interest	Net Fiscal Total	Principal	Interest	Net Fiscal Total	Principal	Interest	Net Fiscal Total
2/1/2023	-	3,754.44	3,754.44	-	6,903.33	6,903.33	-	13,140.56	13,140.56
8/1/2023	310,000.00	3,100.00	313,100.00	570,000.00	5,700.00	575,700.00	1,085,000.00	10,850.00	1,095,850.00
Totals	310,000.00	6,854.44	316,854.44	570,000.00	12,603.33	582,603.33	1,085,000.00	23,990.56	1,108,990.56

CITY OF BLACKDUCK

01/09/23 1:16 PM

Monthly Bills

Page 1

December 2022

Check Name	Amount		
Fund 101 GENERAL FUND		PAUL BUNYAN COMMUNICATIONS	\$35.20
Marco Technologies LLC	\$138.19	VERIZON WIRELESS	\$40.01
AMERIPRIDE LINEN & APPAREL	\$167.00	Fund 601 WATER FUND	\$59,854.85
BELTRAMI COUNTY RECORDER	\$92.00	Fund 602 SEWER FUND	
BELTRAMI ELECTRIC COOP	\$4,084.88	BELTRAMI ELECTRIC COOP	\$933.42
BLACKDUCK AMBULANCE ASSOC.	\$1,040.00	FRANDSEN BANK & TRUST	\$2,000.00
Blackduck Area Chamber of Comm	\$150.00	NORTHWEST TIRE INC	\$1,500.00
BLACKDUCK AUTO PARTS, INC	\$2,631.35	RMB ENVIRONMENTAL LABORATORIES	\$109.99
BLACKDUCK CO-OP	\$371.85	Fund 602 SEWER FUND	\$4,543.41
BLACKDUCK DEVELOPMENT CORP	\$50.00	Fund 609 MUNICIPAL LIQUOR FUND	
BLACKDUCK LEEVERS FOODS	\$143.34	Marco Technologies LLC	\$84.62
BOGARTS REPAIR AND RECOVERY	\$95.30	AMERIPRIDE LINEN & APPAREL	\$975.82
DILIGENT CORPORATION	\$2,652.25	BELTRAMI ELECTRIC COOP	\$1,502.57
EHLERS AND ASSOCIATES	\$2,737.50	BEMIDJI COCA-COLA	\$344.60
GRAYBAR	\$1,618.38	BERNATELLOS	\$243.00
Great Plains Fire	\$306.65	Bernick Companies	\$11,039.25
MURRAY SURVEYING, INC.	\$2,030.00	Blackduck Area Chamber of Comm	\$30.00
NORTHWEST TIRE INC	\$540.15	BLACKDUCK CO-OP	\$34.00
NORTHWOODS LUMBER CO	\$119.43	BLACKDUCK LEEVERS FOODS	\$3,649.86
PATER ELECTRIC	\$407.50	Breakthru Beverage	\$8,667.77
PAUL BUNYAN COMMUNICATIONS	\$952.48	DAHLHEIMER BEVERAGE BRAINERD	\$278.40
QUILL CORPERATION	\$57.83	D-S BEVERAGES, INC.	\$18,437.08
RATWIK, ROSZAK & MALONEY, P.A.	\$1,230.00	EHLERS AND ASSOCIATES	\$35,895.00
ROGER'S TWO WAY RADIO	\$84.00	GUARDIAN PEST CONTROL	\$49.82
SANFORD OCCUPATIONAL MEDICINE	\$298.00	HEGGIES PIZZA LLC	\$384.30
TIMBERLINE SPORTS, INC	\$910.04	HUNTINGTON NATIONAL BANK	\$7,869.13
TODAVICH ELECTRIC, INC	\$4,007.87	JOHNSON BROTHERS LIQUOR CO.	\$6,029.21
VAN IWARRDEN ASSOCIATES	\$2,250.00	MELISSAS CLEANING	\$1,170.00
VERIZON WIRELESS	\$378.90	MIKINNON CO., INC	\$12,998.15
Fund 101 GENERAL FUND	\$29,544.89	MN DEPT OF PUBLIC SAFETY ALCOH	\$300.00
Fund 209 PINE TREE PARK FUND		NAYLOR REFRIGERATION & HTG.	\$294.05
BELTRAMI ELECTRIC COOP	\$107.17	NEI BOTTLING INC	\$990.11
NORTHWEST TIRE INC	\$293.56	NORTHWOODS ICE, INC	\$281.20
Fund 209 PINE TREE PARK FUND	\$400.73	NORTHWOODS LUMBER CO	\$63.31
Fund 314 2014A DISP SYS BOND DEBT SERV		OLD DUTCH	\$171.72
FRANDSEN BANK & TRUST	\$9,510.00	PAUL BUNYAN COMMUNICATIONS	\$330.52
Fund 314 2014A DISP SYS BOND DE	\$9,510.00	PAUSTIS WINE COMPANY	\$460.00
Fund 601 WATER FUND		PERFORMANCE FOOD SERVICE	\$7,839.29
BELTRAMI ELECTRIC COOP	\$840.65	Phillips Wine and Spirits	\$8,194.33
EHLERS AND ASSOCIATES	\$52,946.25	PINNACLE MARKETING GROUP	\$79.00
Hawkins, Inc	\$3,925.47	QUILL CORPERATION	\$35.44
NORTHWEST TIRE INC	\$2,067.27	SANFORD OCCUPATIONAL MEDICINE	\$54.00
		Southern Glazer's of MN	\$3,082.53

Check Name	Amount
TOTAL REGISTER SYSTEMS, INC	\$1,814.64
TOTAL TAP SERVICES	\$75.00
US FOODs	\$3,760.04
VINOCOPIA INC	\$1,412.15
WASTE MANAGEMENT OF WI-MN	\$410.06
WINE MERCHANTS	\$80.90
Fund 609 MUNICIPAL LIQUOR FUN	\$139,410.87
Fund 613 GOLF COURSE	
BELTRAMI ELECTRIC COOP	\$483.91
Blackduck Area Chamber of Comm	\$30.00
EHLERS AND ASSOCIATES	\$10,195.00
PAUL BUNYAN COMMUNICATIONS	\$109.26
PINNACLE MARKETING GROUP	\$79.00
WASTE MANAGEMENT OF WI-MN	\$82.34
Fund 613 GOLF COURSE	\$10,979.51
	\$254,244.26

Sewer Fund
Year to Date Income Statement thru 12/31/2022

Sewer Operating Revenue:		Budget
Reimbursements	\$2,191.90	\$0.00
ARP Funding - Council Approved (non-budgeted items)	\$43,296.81	\$0.00
Interest Earnings	\$501.15	\$750.00
Sewer Sales	\$209,919.02	\$205,000.00
Farm Lease Agreement Revenue	\$6,098.00	\$6,098.00
Swr Penalty	\$1,238.74	\$1,500.00
Insurance Proceeds - <i>Irrigator Claim</i>	\$30,591.38	\$0.00
Charges for Service	\$4,175.00	\$2,500.00
Total Sewer Revenues	\$298,012.00	\$215,848.00

Sewer Operating Expenditures:		Budget	Remaining
Full-Time Employees Regular	\$76,178.06	\$72,532.34	(\$3,645.72)
Part-Time Employees	\$2,579.72	\$1,209.60	(\$1,370.12)
PERA	\$5,906.25	\$5,420.97	(\$485.28)
FICA	\$5,955.01	\$6,937.55	\$982.54
Employer Paid Health	\$13,976.17	\$14,080.54	\$104.37
Office Supplies (GENERAL)	\$29.77	\$300.00	\$270.23
Heating Fuel	\$190.60	\$0.00	(\$190.60)
Electricity	\$26,260.70	\$20,000.00	(\$6,260.70)
Training and Instruction	\$23.00	\$1,000.00	\$977.00
Operating Supplies (GENERAL)	\$326.10	\$600.00	\$273.90
Motor Fuels	\$2,324.12	\$1,750.00	(\$574.12)
Lubricants and Additives	\$0.00	\$500.00	\$500.00
Repairs/Maint Supply	\$480.07	\$1,000.00	\$519.93
Equipment Parts	\$0.00	\$0.00	\$0.00
Computer Supplies	\$0.00	\$850.00	\$850.00
Merchandise Resale	\$0.00	\$0.00	\$0.00
Building Repair Supply	\$0.00	\$0.00	\$0.00
Tires	\$1,500.00	\$1,500.00	\$0.00
Small Tools	\$0.00	\$600.00	\$600.00
Auditing and Acc't	\$3,502.00	\$3,500.00	(\$2.00)
<i>Construction Services - PW/PS Facility City Contribution</i>	<i>\$52,714.91</i>	<i>\$6,906.00</i>	<i>(\$45,808.91)</i>
Architect Fees	\$5,609.30	\$9,633.00	\$4,023.70
Legal Fees - for project	\$191.25	\$0.00	(\$191.25)
Testing/Analysis	\$1,652.91	\$1,500.00	(\$152.91)
Other Professional Services	\$3,835.00	\$3,000.00	(\$835.00)
Telephone	\$0.00	\$500.00	\$500.00
Postage	\$600.00	\$600.00	\$0.00
Travel Expense	\$364.34	\$1,000.00	\$635.66
Other Printing/Binding	\$0.00	\$0.00	\$0.00
Freight and Express	\$0.00	\$0.00	\$0.00
Legal Notices/Publications	\$73.59	\$0.00	(\$73.59)
General Liability Insurance	\$2,175.84	\$2,050.00	(\$125.84)
Property Insurance	\$3,381.00	\$3,000.00	(\$381.00)
Other Insurance	\$0.00	\$0.00	\$0.00
Automotive Insurance	\$0.00	\$0.00	\$0.00
Workers Compensation	\$2,570.99	\$3,500.00	\$929.01
Unemployment Paid	\$0.00	\$0.00	\$0.00
State Connection Fee	\$0.00	\$0.00	\$0.00
Repairs/Maint Building	\$1,224.00	\$0.00	(\$1,224.00)
Repairs/Maintenance Structure	\$4,559.54	\$10,000.00	\$5,440.46
Repairs/Main Machinery/Equip	\$30,841.38	\$0.00	(\$30,841.38)
ARP Funding - Council approved	\$43,812.46	\$0.00	(\$43,812.46)
Dues and Subscriptions	\$4,730.32	\$4,000.00	(\$730.32)
Improvements other	\$2,515.49	\$0.00	(\$2,515.49)
Refuse/Garbage Dispal - PW/PS Facility City Contribution	\$724.89	\$0.00	(\$724.89)
Medical Fees	\$0.00	\$0.00	\$0.00
Other Equipment (irrigator)	\$0.00	\$2,600.00	\$2,600.00
Total Sewer Expenditures	\$300,808.78	\$180,070.00	(\$120,738.78)

		Budget	Remaining
2019 Micro Loan Principal	\$10,000.00	\$10,000.00	\$0.00
2019 Micro Loan Interest	\$527.27	\$527.27	\$0.00
Debt Srv Principal 2014 Go Bond	\$3,000.00	\$3,000.00	\$0.00
Public Works/Police Facility	\$0.00	\$7,157.70	\$7,157.70
Depreciation/Capital Outlay	\$25,000.00	\$25,000.00	\$0.00
Total	\$38,527.27	\$45,684.97	\$7,157.70

Net Total	(\$41,324.05)	\$225,754.97	(\$113,581.08)
<i>Less Construction Costs:</i>	<i>\$11,390.86</i>	<i>\$218,848.97</i>	<i>(\$67,772.17)</i>

Water Fund

Year to Date Income Statement thru 12/31/2022

Water Operating Revenue:		Budget:
Water Meter Sales	\$2,033.34	\$0.00
Health Dept Charges	\$2,612.56	\$2,994.00
Penalties and Interest	\$0.00	\$0.00
Water Sales	\$212,537.44	\$216,500.00
Water Connect/Reconnect Fee	\$703.46	\$1,500.00
Water Penalty	\$1,291.01	\$1,750.00
Interest Earnings	\$779.60	\$1,750.00
Reimbursements	\$1,246.88	\$0.00
Total Water Revenues	\$221,204.29	\$224,494.00

Water Operating Expenditures:	Year to Date	Budget	Remaining
Full-Time Employees Regular	\$67,829.55	\$67,628.40	(\$201.15)
Full-Time Employees OT	\$4,390.26	\$2,000.00	(\$2,390.26)
Part-Time Employees	\$2,905.25	\$2,419.20	(\$486.05)
PERA	\$5,633.88	\$5,253.57	(\$380.31)
FICA	\$5,678.54	\$5,358.65	(\$319.89)
Employer Paid Health	\$13,390.60	\$13,497.29	\$106.69
Office Supplies (GENERAL)	\$79.26	\$300.00	\$220.74
Printed Forms	\$0.00	\$0.00	\$0.00
Heating	\$190.60	\$0.00	(\$190.60)
Electricity	\$13,192.28	\$12,000.00	(\$1,192.28)
Computer Supplies	\$0.00	\$850.00	\$850.00
Training and Instruction	\$0.00	\$1,000.00	\$1,000.00
Operating Supplies (GENERAL)	\$1,108.22	\$2,600.00	\$1,491.78
Cleaning Supplies	\$0.00	\$0.00	\$0.00
Motor Fuels	\$2,086.35	\$1,000.00	(\$1,086.35)
Lubricants and Additives	\$0.00	\$0.00	\$0.00
Chemicals	\$0.00	\$0.00	\$0.00
Chlorine	\$6,261.42	\$7,000.00	\$738.58
Fluoride	\$1,019.74	\$1,000.00	(\$19.74)
Repairs/Maint Supply	\$1,119.38	\$1,000.00	(\$119.38)
Equipment Parts	\$0.00	\$0.00	\$0.00
Building Repair Supply	\$0.00	\$0.00	\$0.00
Utility Maint Supply	\$0.00	\$0.00	\$0.00
Small Tools	\$0.00	\$500.00	\$500.00
Merchandise for Resale	\$2,042.83	\$750.00	(\$1,292.83)
Auditing and Acc't	\$3,500.00	\$3,500.00	\$0.00
Legal fees - project	\$191.25	\$0.00	(\$191.25)
Architect/Legal Fees	\$5,609.30	\$9,633.00	\$4,023.70
Testing/Analysis	\$0.00	\$0.00	\$0.00
Construction Services - PW/PS Facility City Contribution	\$52,714.90	\$6,906.00	(\$45,808.90)
Professional Services	\$195.00	\$1,000.00	\$805.00
Other Professional Services	\$0.00	\$1,000.00	\$1,000.00
Telephone	\$417.54	\$500.00	\$82.46
Radio/communications Expense	\$310.01	\$0.00	(\$310.01)
Postage	\$909.40	\$900.00	(\$9.40)
Travel Expense	\$174.17	\$1,000.00	\$825.83
Other Equipment Rentals	\$0.00	\$0.00	\$0.00
Legal Notices/Publications	\$187.68	\$0.00	(\$187.68)
General Liability Insurance	\$470.92	\$400.00	(\$70.92)
Property Insurance	\$3,016.00	\$1,850.00	(\$1,166.00)
Workers Compensation	\$2,097.77	\$2,300.00	\$202.23
Unemployment Paid	\$0.00	\$0.00	\$0.00
Refuse/Garbage Disposal	\$1,032.69	\$310.00	(\$722.69)
State Connection Fee	\$2,748.00	\$2,994.00	\$246.00
Repairs/Maint Building	\$0.00	\$0.00	\$0.00
Repairs/Maintenance Structure	\$6,120.83	\$12,000.00	\$5,879.17
Repairs/Maintenance Machinery	\$2,500.00	\$2,500.00	\$0.00
Dues and Subscriptions	\$4,261.40	\$3,000.00	(\$1,261.40)
Uncollectable Checks/Bad Debt	\$345.98	\$100.00	(\$245.98)
Medical Fees	\$0.00	\$0.00	\$0.00
Other Equipment <u>Well 5 & 8</u>	\$14,284.66	\$0.00	(\$14,284.66)
Bank Service Charges	\$175.25	\$150.00	(\$25.25)
Total Water Expenditures	\$228,190.91	\$174,200.11	(\$53,990.80)

Other Water Expenditures:	Budget	Remaining
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Transfer Fr Other Fund	\$0.00	\$0.00	\$0.00
PFA Debt Service Principal	\$0.00	\$0.00	\$0.00
PFA Debt Service Interest	\$0.00	\$0.00	\$0.00
New Construction Interest	\$0.00	\$7,157.70	\$7,157.70
Debt Service Bond Principal	\$45,000.00	\$45,000.00	\$0.00
Debt Service Bond Interest	\$16,297.25	\$16,297.50	\$0.25
Depreciation/Capital Outlay	\$12,000.00	\$10,000.00	(\$2,000.00)
Total	\$73,297.25	\$78,455.20	\$5,157.95
Net Total	(\$80,283.87)	\$252,655.31	(\$48,832.85)
<u>Less Construction Costs:</u>	<u>(\$27,568.97)</u>	<u>\$245,749.31</u>	<u>(\$3,023.95)</u>

Pine Tree Park

Year to Date Income Statement thru 12/31/2022

PTP Revenues -	2022	Beach	2021	2022 Budget	
Reservation Fees	\$906.00		\$910.00	\$1,000.00	
Grants	\$11,000.00		\$17,780.00	\$11,000.00	
Camping Fees	\$25,407.00		\$25,708.00	\$25,000.00	
Other Revenue	\$569.21		\$1,103.43	\$0.00	
Contributions and Donations	\$26,008.00	\$26,008.00	\$7,100.00	\$0.00	
Interest Earnings	\$152.02		\$249.11	\$150.00	
Total PTP Revenues	\$64,042.23	\$26,008.00	\$52,850.54	\$37,150.00	
PTP Expenditures	2022 YTD	Beach	2021 YTD	2022 Budget	Remaining
Full-Time Employees Regular	\$4,792.87		\$4,189.54	\$5,823.00	\$1,030.13
Part-Time Employees Regular	\$813.66		\$664.13	\$3,024.00	\$2,210.34
PERA	\$420.47		\$364.11	\$543.98	\$123.51
FICA	\$423.47		\$359.41	\$554.86	\$131.39
Employer Paid Health	\$810.46		\$809.07	\$810.47	\$0.01
Office Supplies	\$0.00		\$0.00	\$0.00	\$0.00
Electricity	\$3,078.39		\$3,331.96	\$3,500.00	\$421.61
Operating Supplies (GENERAL)	\$1,566.96		\$668.12	\$900.00	(\$666.96)
Cleaning Supplies	\$0.00		\$37.79	\$0.00	\$0.00
Motor Fuels	\$2,005.41		\$1,018.93	\$1,300.00	(\$705.41)
Repairs/Maint Supply	\$214.05		\$379.55	\$750.00	\$535.95
Equipment Parts	\$68.98		\$46.37	\$200.00	\$131.02
Other Professional Services	\$650.00		\$1,592.60	\$1,750.00	\$1,100.00
Postage	\$0.00		\$0.00	\$0.00	\$0.00
Advertising	\$2,437.50		\$0.00	\$1,000.00	(\$1,437.50)
Other Printing/Binding	\$0.00		\$0.00	\$0.00	\$0.00
General Liability Insurance	\$941.84		\$118.08	\$700.00	(\$241.84)
Property Insurance	\$1,787.00		\$3,297.00	\$3,200.00	\$1,413.00
Workers Compensation Insurance	\$0.00		\$0.00	\$0.00	\$0.00
Garbage	\$2,473.66		\$2,005.48	\$1,750.00	(\$723.66)
Repairs/Maint Building	\$1,134.93		\$30,753.11	\$4,000.00	\$2,865.07
Repairs/Maintenance Structure	\$1,512.00		\$0.00	\$0.00	(\$1,512.00)
Improvements Other	\$37,212.79	\$37,212.79	\$19,867.71	\$500.00	(\$36,712.79)
Repairs/Maintenance Machinery	\$1,256.43		\$149.61	\$1,500.00	\$243.57
Other Equipment	\$0.00		\$7,770.88	\$0.00	\$0.00
Depreciation	\$5,000.00		\$0.00	\$5,000.00	\$0.00
Miscellaneous - Refunds	\$243.00		\$110.00	\$0.00	(\$243.00)
Portable Restrooms	\$0.00		\$220.00	\$0.00	\$0.00
Dues and Subscriptions	\$875.00		\$500.00	\$375.00	(\$500.00)
Total PTP Expenditures	\$69,718.87	\$37,212.79	\$78,253.45	\$37,181.31	(\$32,537.56)
Net Profit	(\$5,676.64)	-\$11,204.79	(\$25,402.91)		
Total	(\$5,676.64)	-\$11,204.79	(\$25,402.91)		

Blackduck Municipal Golf Course
Year-To-Date Income Statement 12/31/2022

	Actual 2022 Sales	Revenue Budget	Cost of Goods	Gross Profit	Gross Margin	Expense Budget	Remaining Expense Budget
Beer	\$13,530.63	\$8,000.00	\$4,918.44	\$8,612.19	63.65%	\$3,400.00	(\$1,518.44)
Liquor	\$4,510.69	\$0.00	\$4,221.65	\$289.04	6.41%	\$0.00	(\$4,221.65)
Soft Drinks	\$5,372.80	\$7,000.00	\$5,158.44	\$214.36	3.99%	\$3,400.00	(\$1,758.44)
Food	\$7,376.05	\$3,500.00	\$5,041.59	\$2,334.46	31.65%	\$1,000.00	(\$4,041.59)
Golf Merchandise & Clubs for Sale	\$3,347.03	\$3,000.00	\$1,513.86	\$1,833.17	54.77%	\$1,500.00	(\$13.86)
Clothing	\$2,761.26	\$3,000.00	\$3,884.01	(\$1,122.75)	-40.66%	\$1,000.00	(\$2,884.01)
Total	\$36,898.46	\$24,500.00	\$24,737.99	\$12,160.47	32.96%	\$10,300.00	(\$14,437.99)

	Actual 2022 Revenue	Revenue Budget
Green Fees	\$61,616.33	\$65,000.00
Membership Fees	\$25,512.47	\$25,000.00
Trail Fees	\$523.24	\$1,000.00
Cart Storage	\$1,199.80	\$3,000.00
Rentals (Clubs, Carts)	\$1,198.35	\$1,850.00
Power Carts	\$35,219.38	\$45,000.00
Clubhouse Rental	\$1,543.32	\$500.00
Kayak Rental	\$318.07	\$0.00
Golf Tournament Revenue	\$5,327.20	\$0.00
Total Charges for Services	\$132,458.16	\$141,350.00

Total Income \$169,356.62

Less Operating Expense	Budget	Remaining
FT Wages	\$19,673.55	\$39,020.80
PT Wages	\$56,794.19	\$62,556.68
PERA	\$3,657.94	\$7,618.31
FICA	\$5,857.23	\$7,770.68
Employer Paid Health	\$8,435.74	\$11,504.40
Office Supplies	\$440.32	\$0.00
Heating Fuel	\$32.21	\$0.00
Electricity	\$5,903.17	\$5,000.00
Computer Supplies	\$0.00	\$350.00
Training & Instructions	\$0.00	\$0.00
Operating Supplies	\$3,755.32	\$2,200.00
Cleaning Supplies	\$195.89	\$0.00
Motor Fuels	\$4,983.63	\$3,500.00
Lubricants/Additives	\$0.00	\$0.00
Chemicals	\$7,074.39	\$6,500.00
Repair/Maint/Supplies	\$2,411.96	\$0.00
Equipment parts	\$0.00	\$0.00
Building Repair supply	\$874.57	\$0.00
Small Tools/Equipment	\$1,522.75	\$0.00
Tires	\$624.71	\$0.00
Auditing/Accounting	\$0.00	\$0.00
Medical Fees	\$637.00	\$250.00
Legal Fees	\$0.00	\$0.00
Dram	\$250.00	\$750.00
Telephone	\$1,125.38	\$700.00
Cable Television	\$0.00	\$200.00
Internet	\$639.20	\$300.00
Travel Expense	\$55.90	\$0.00
Other Equipment <i>club house POS equipment</i>	\$1,900.04	\$0.00
Other Professional services	\$124.00	\$800.00
Website Development & Maintenance	\$1,998.00	\$1,000.00
Sponsorship Expense	\$1,909.32	\$0.00
Postage	\$50.00	\$50.00
Advertising	\$1,830.00	\$1,000.00
Promotional Expenses	\$3,147.77	\$0.00
Liability Insurance	\$3,414.17	\$2,800.00
Property Insurance	\$1,946.00	\$2,600.00
Work Comp	\$1,302.45	\$590.00
Unemployment <i>-charged for 2020 & 2021</i>	\$8,609.66	\$4,500.00
Insurance	\$0.00	\$0.00
Garbage Disposal	\$1,342.68	\$900.00
Repair/Maint Building	\$698.19	\$1,500.00
Improvements other than Bldgs - Irrigation	\$9,143.74	\$8,000.00
Repairs/Maint Machinery	\$8,815.20	\$7,000.00
Maintenance Course	\$4,363.79	\$4,500.00
Furniture & Fixtures	\$148.24	\$0.00
Motor Vehicles	\$0.00	\$0.00
<i>Club House renovations from BDC Donation (see below)</i>	\$15,875.43	\$15,000.00
Other Equipment Rentals - Kayak purchase	\$1,469.83	\$0.00
Cart Shed Bond 2020	\$6,118.00	\$6,118.00
Uncollectable Checks	\$0.00	\$0.00
Dues and Subscriptions	\$6,121.06	\$2,500.00

Bank Service Charges	\$4,199.60	\$1,750.00	(\$2,449.60)
Cart Lease NEW 2021	\$15,159.00	\$14,670.00	(\$489.00)
Club House Debt Principal 2012	\$10,000.00	\$10,000.00	\$0.00
Club House Debt Interest 2012	\$480.00	\$480.00	\$0.00
Equipment Bond Interest 2016	\$1,213.00	\$1,212.50	(\$0.50)
Equipment Bond Principal 2016	\$13,000.00	\$13,000.00	\$0.00
Total Expense	\$229,650.67	\$248,191.37	(\$1,132.85)

OPERATING INCOME OR LOSS (\$85,032.04)

Other Expenses

Misc. Expenses	\$162.00
Equipment - Gator	\$0.00
Gift Certificates / Discounts	\$3,545.82
Cash Short - <i>discounts for punch cards & savings cards</i>	\$1,325.31
Total Other Expenses	\$5,033.13

Other Income

General Property taxes	\$15,890.73
Transfer Fr Liq Str	\$0.00
Reimbursements	\$2,064.30
Donations and Contributions	\$20,000.82 <i>BDC Renovation Donation & others</i>
Promotional Event Revenue	\$8,556.91
Cash Over	\$173.85
Sponsorship Revenue <i>(cart / tee boxes)</i>	\$3,250.00
Total Other Income	\$49,936.61

NET INCOME OR LOSS YEAR TO DATE (\$40,128.56)

Sales Comparison YTD	2021 thru December	2022	+/- over prior year
Green Fees	\$57,499.21	\$61,616.33	6.68%
Cart Rental	\$41,007.05	\$35,219.38	-16.43%
YTD Comparisons:	2021 thru December	2022	+/- over prior year
Operating Revenue	\$275,396.48	\$219,293.23	-25.58%
Operating Expense	\$273,184.60	\$259,421.79	-5.31%
	\$2,211.88	(\$40,128.56)	105.51%

Blackduck Municipal Liquor Store Income Statement
Year to Date Ending 12/31/2022

\$942,887.70 *How much we paid for our inventory (expenses)*

	YTD Sales	Cost of Goods	Gross Profit	Gross Profit Margin	2022 Liquor Expense Budget	2022 Liquor Revenue Budget	Percent of sales +/- to budget
Liquor Sales Off-Sale	\$317,143.99	\$237,024.02	\$80,119.97	25.26%	\$200,000.00	\$300,000.00	5.41%
Beer Sales Off-Sale	\$540,399.73	\$416,170.32	\$124,229.41	22.99%	\$360,000.00	\$500,000.00	7.48%
Wine Sales Off-Sale	\$55,812.39	\$32,790.82	\$23,021.57	41.25%	\$28,000.00	\$50,000.00	10.41%
Other Sales On/Off-Sale	\$22,020.71	\$17,546.90	\$4,473.81	20.32%	\$5,000.00	\$14,500.00	34.15%
Liquor Sales On-Sale	\$145,673.28	\$29,827.34	\$115,845.94	79.52%	\$0.00	\$95,000.00	34.79%
Beer Sales On-Sale	\$178,122.41	\$38,141.31	\$139,981.10	78.59%	\$0.00	\$127,000.00	28.70%
Wine Sales On-Sale	\$3,236.13	\$1,291.95	\$1,944.18	60.08%	\$0.00	\$1,000.00	69.10%
Cigarette Sales	\$47.99	\$0.00	\$47.99	100.00%	\$0.00	\$0.00	100.00%
Clothing	\$9,935.59	\$8,716.74	\$1,218.85	12.27%	\$3,500.00	\$6,000.00	39.61%
Soft Drinks On Sale	\$22,141.67	\$13,495.76	\$8,645.91	39.05%	\$9,000.00	\$15,000.00	32.25%
Food Sales	\$305,220.29	\$184,776.75	\$120,443.54	39.46%	\$80,000.00	\$185,000.00	39.39%
Total	\$1,599,754.18	\$979,781.91	\$619,972.27	38.75%	\$685,500.00	\$1,293,500.00	23.68%

cost of our inventory

Less Operating Expense	2022 YTD	Budget	Remaining
Wages FT	\$211,656.88	\$202,220.57	(\$9,436.31)
Wages PT	\$106,992.10	\$64,493.68	(\$42,498.42)
PERA	\$25,356.92	\$19,891.07	(\$5,465.85)
FICA	\$28,934.99	\$20,288.89	(\$8,646.10)
Health Insurance	\$58,563.93	\$58,948.75	\$384.82
Office Supplies	\$1,207.97	\$1,200.00	(\$7.97)
Electricity	\$19,254.06	\$20,000.00	\$745.94
Heating Fuel	\$20,862.14	\$3,500.00	(\$17,362.14)
Computer Supplies	\$99.39	\$0.00	(\$99.39)
Training and Instruction	\$1,698.00	\$500.00	(\$1,198.00)
Operating & Bar Supplies	\$32,733.96	\$20,000.00	(\$12,733.96)
Cleaning Supplies	\$273.02	\$0.00	(\$273.02)
Bar Supply	\$0.00	\$0.00	\$0.00
Building Repair Supplies	\$98.57	\$0.00	(\$98.57)
Mix Expense	\$13,201.79	\$7,000.00	(\$6,201.79)
Auditing / Acct'g Services	\$6,500.00	\$6,500.00	\$0.00
Other Professional Services/Cleaning	\$12,356.62	\$4,400.00	(\$7,956.62)
Website Development	\$1,403.00	\$0.00	(\$1,403.00)
Telephone	\$2,849.32	\$2,000.00	(\$849.32)
Postage	\$500.00	\$500.00	\$0.00
Cable Television	\$1,630.95	\$1,500.00	(\$130.95)
Internet Access	\$1,069.40	\$1,200.00	\$130.60
Advertising	\$300.00	\$500.00	\$200.00
Travel Expense	\$244.30	\$500.00	\$255.70
Freight	\$7,513.06	\$5,000.00	(\$2,513.06)
Legal Fees	\$0.00	\$0.00	\$0.00
Promotions/Entertainment	\$6,295.30	\$3,000.00	(\$3,295.30)
Legal Notices	\$0.00	\$0.00	\$0.00
Liability Insurance	\$3,414.17	\$2,800.00	(\$614.17)
Property Insurance	\$6,647.00	\$7,400.00	\$753.00
Dram Shop/Liquor Liability	\$4,157.00	\$4,750.00	\$593.00
Other Insurance	\$0.00	\$0.00	\$0.00
Work Comp	\$8,413.94	\$5,200.00	(\$3,213.94)
Water Utility	\$2,923.15	\$2,700.00	(\$223.15)
Garbage Disposal	\$7,488.23	\$6,000.00	(\$1,488.23)
Catering Expense	\$0.00	\$500.00	\$500.00
Repairs & Maintenance	\$0.00	\$0.00	\$0.00
Repairs/Maintenance Building	\$12,052.47	\$10,000.00	(\$2,052.47)
Uncollectable Checks	\$209.24	\$200.00	(\$9.24)
Dues and Subscriptions	\$7,477.20	\$4,500.00	(\$2,977.20)
Bank Service Charges	\$22,681.91	\$750.00	(\$21,931.91)
Furniture & Fixtures	\$864.84	\$6,000.00	\$5,135.16
Office Equip & Furnishings (kitchen equipment)	\$0.00	\$0.00	\$0.00
<i>Construction Services - Close out for 2021 Project</i>	<i>\$16,524.08</i>	<i>\$0.00</i>	<i>(\$16,524.08)</i>
Improvements Other than Buildings - remodel	\$0.00	\$0.00	\$0.00
Building & Structures	\$279.38	\$6,000.00	\$5,720.62
Medical Fees	\$397.00	\$350.00	(\$47.00)
Assessment	\$1,082.08	\$1,300.00	\$217.92
Obligation Debt - Remodel/Addition - Interest	\$12,767.00	\$13,405.47	\$638.47
Other Equipment - Message board debt & copier l	\$17,356.99	\$15,022.88	(\$2,334.11)
Total Operating Expense	\$686,331.35	\$530,021.31	(\$156,310.04)

Inventory Expense (\$36,894.21)

NET INCOME OR LOSS (\$29,464.87) *(gross profit - expenses)*

Other Expenses

<i>Donations</i>	<i>\$10,051.08</i>	<i>2022 Budget - \$4,000.00</i>
Capital Outlay	\$0.00	
Unemployment Paid	\$631.50	
Cash Short	(\$320.47)	
Misc. Expense	\$0.00	
Total Other Expenses	\$10,362.11	

Other Income

Reimbursements (NSF)	\$4,748.08
<i>Rent Income</i>	<i>\$15,086.40</i>
Vending Income	\$3,507.00
Interest	\$881.31
Catering Revenue	\$2,396.45
Bank Service Fees Charged to customers	\$21,280.93
<i>Transfer from Liquor Rent Fund</i>	<i>\$10,000.00</i>

Cash Over	\$8.72
Total Other Income	\$57,908.89
Gross Profit Before Transfers	\$18,081.91
Transfer to General Fund & Other Funds	\$22,500.00 <i>General fund & cemetery</i>
Net Profit After Inventory Exp & Transfers	(\$4,418.09)
Inventory On-Hand at 1/1/2022 after inventory total	
	\$87,723.20
Inventory On-Hand at 12/31/2022	
	\$88,894.44
Difference	\$1,171.24

Sales Comparison Year to Date Ending 12/31/2022

	2020	2021	2022	% of Increase from 2021-2022
Off-Sale Liquor	\$312,555.32	\$294,504.11	\$317,143.99	7.69%
Off-Sale Beer	\$565,869.96	\$541,514.50	\$540,399.73	-0.21%
Off-Sale Wine	\$52,175.32	\$47,283.68	\$55,812.39	18.04%
Total Off-Sale	\$930,600.60	\$883,302.29	\$913,356.11	3.40%
On-Sale Liquor	\$71,109.29	\$115,390.29	\$145,673.28	26.24%
On-Sale Beer	\$91,002.10	\$142,523.68	\$178,122.41	24.98%
On-Sale Wine	\$809.10	\$2,097.72	\$3,236.13	54.27%
Total On-Sale	\$162,920.49	\$260,011.69	\$327,031.82	25.78%
Total On and Off Sale	\$1,093,521.09	\$1,143,313.98	\$1,240,387.93	8.49%
Total Food Sales	\$150,926.13	\$188,707.33	\$305,220.29	61.74%
Gross Liquor Store Sales Comparison	\$1,311,779.10	\$1,422,508.32	\$1,657,663.07	16.53%

MINNESOTA Lawful Gambling

LG216 Worksheet for Calculating Lawful Gambling Monthly Rent

Organization Name

Licence Number

Blackduck Fire Relief

01944

Site Name

Site Number

POND

001

(Use one worksheet for each site. If lease changes, use new worksheet.)

Booth Operation Rent

1 List the % to be paid for paper pull-tabs, tipboards, paddletickets, electronic pull-tabs and electronic linked bingo conducted by the organization's employees.

1

Bar Operation Rent

2 List the % to be paid for paper pull-tabs, tipboards and paddletickets conducted by the lessor or lessor's employees

2

20.00%

3 List the % to be paid for electronic pull-tabs and electronic linked bingo conducted the lessor or lessor's employees

3

A	B1	B2	C1	C2	D	E1	E2	F	G	H
	Booth Operation		Bar Operation		Rent Limit	Bar Operation Electronic Games		Total Rent	Bar Operation	
Month and Year	Multiply the total of this month's net receipts from paper pull-tabs, electronic pull-tabs, electronic linked bingo, tipboards, and paddletickets by the amount in Box 1.		Multiply the total of this month's net receipts from paper pull-tabs, tipboards, and paddletickets by the amount in Box 2.		If an amount was entered, in Col B, enter the sum of Cols B and C up to a max of \$1750. If Col B is blank, enter Col C.	Multiply the total of this month's net receipts from electronic pull-tabs and electronic linked bingo by the amount in Box 3.		Add Columns D and E Report amount on Schedule A, line 22h	Enter cash short for games sold from bar-op. Report amount on Sched A, line 22m. in month the Col H is paid.	Subtract Col G from Col F. This is the amount of rent to be paid. The amount is not reported on Sched A.
11/2022			9719.00	1943.80	1943.80			1943.80	(603.00)	1340.80

- 1 This amount may not exceed 10%.
- 2 Enter no more than 10% if paper or electronic pull-tabs, tipboards, paddletickets (other than paddletickets without a table once weekly), or electronic linked bingo games are conducted by the organization's employees. Otherwise, enter no more than 20%.
- 3 This amount may not exceed 15%.
- 4 Electronic pull-tab rent is based on the receipts incurred during the month, and not on when each pull-tab deal is closed.
- 5 If the amount in Column H is negative, contact your compliance specialist.

Missing \$500 ticket

\$103 Short over last 6 months

Bob

CITY OF BLACKDUCK

12/22/22 1:49 PM

Page 1

Payments

Current Period: December 2022

Payment Batch BusCCpymnt1222	\$957.08
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Refer	0 CARDMEMBER SERVICE -DEERW	Ck# 011531 12/22/2022	
Cash Payment	E 101-41400-355 Election Expense	Business Card Holder - Christina Regas	\$62.00
Invoice			
Cash Payment	E 101-41400-433 Dues and Subscriptions	Business Card Holder - Christina Regas	\$8.86
Invoice			
Cash Payment	E 609-49750-433 Dues and Subscriptions	Business Card Holder - Christina Regas	\$120.00
Invoice			
Cash Payment	E 101-42200-208 Training and Instruction	Business Card Holder - Christina Regas	\$675.00
Invoice			
Transaction Date	12/22/2022	DW Checking 10100	Total \$865.86

Refer	0 CARDMEMBER SERVICE -DEERW	Ck# 011531 12/22/2022	
Cash Payment	E 101-43100-331 Travel Expenses	Business Credit Card Holder - Mike Schwanke	\$42.62
Invoice			
Cash Payment	E 601-43200-322 Postage	Business Credit Card Holder - Mike Schwanke	\$9.40
Invoice			
Cash Payment	E 101-43100-233 Uniforms	Business Credit Card Holder - Mike Schwanke	\$39.20
Invoice			
Transaction Date	12/22/2022	DW Checking 10100	Total \$91.22

Fund Summary

	10100 DW Checking
101 GENERAL FUND	\$827.68
601 WATER FUND	\$9.40
609 MUNICIPAL LIQUOR FUND	\$120.00
	\$957.08

Pre-Written Checks	\$957.08
Checks to be Generated by the Computer	\$0.00
Total	\$957.08

Final Council Approval for the Following

New Employees:

Name:	Position:	Date of Hire:	Wage:
Dakota Heotis	Cook	11/25/2022	\$11.00
Mariah McLean	Cook	11/25/2022	\$11.00
Robert Jones	Volunteer Fire Fighter	1/3/2023	Per call

To

Vendor ID: 0000201376
Vendor Location: 001
Vendor Name: BLACKDUCK CITY OF T
Vendor Address: PO BOX 380
 BLACKDUCK, MN 56630-0380

Reference Information

Pay Cycle: DLYEFT
Pay Cycle Seq Number: 2895

Payment Information

Payment Reference: 0007816185
Payment Date: 12/22/2022
Payment Method: Automated Clearing House

Agency Code / Description	Contact Phone	Voucher ID / Payment Message	Invoice Date	Invoice Number	Customer Account	Paid Amt
G90 / REVENUE/INTERGOVT	651/556-6092	00 09927072	12/23/2022	23002A20402002L001	CITY-040200 LOCAL_GOVT_AID	141,868.50
		LOCAL GOVERNMENT AID				
G90 / REVENUE/INTERGOVT	651/556-6092	00 09927073	12/23/2022	23002A20402002W001	CITY-040200 MVCREDIT_AGRIC	28.67
		MV CREDIT-AGRICULTURAL				
Total:						141,897.17 USD

To

Vendor ID: 0000201376
Vendor Location: 001
Vendor Name: BLACKDUCK CITY OF T
Vendor Address: PO BOX 380
 BLACKDUCK, MN 56630-0380

Reference Information

Pay Cycle: DLYEFT
Pay Cycle Seq Number: 2900

Payment Information

Payment Reference: 0007824679
Payment Date: 12/30/2022
Payment Method: Automated Clearing House

Agency Code / Description	Contact Phone	Voucher ID / Payment Message	Invoice Date	Invoice Number	Customer Account	Paid Amt
P07 / PEACE OFFICER BENE-JANETH N	651/201-7168	C1 00896848	12/28/2022	Peace Officers Benefit Payment		1,815.13
		Peace Officers Disability Benefit Payment				
Total:						1,815.13 USD

December 7, 2022

Christina Regas, City Administrator
City of Blackduck, Minnesota
8 Summit Ave NE
PO Box 380
Blackduck, MN 56630-0380

**Re: Written Municipal Advisor Client Disclosure with the City of Blackduck ("Client")
Pursuant to MSRB Rules G-10 and G-42**

Dear Christina:

For Ehlers & Associates, Inc., to engage in municipal advisory activities - as defined in the Securities Exchange Act and Municipal Securities Rulemaking Board (MSRB) Rules - with you, we are required to provide certain information and disclosures in an annual written Municipal Advisor Disclosure. This letter serves as our disclosure for the period from December 7, 2022 through December 31, 2023 for any municipal advisory activities unrelated to a specific project. Under MSRB Rule G-42:

1. When providing municipal advisor advice, we are required to act in a fiduciary capacity, which includes a duty of loyalty and a duty of care.
2. We have an obligation to provide written disclosure of all material conflicts of interest, including any actual or potential conflicts that might impair our ability to render advice to you in accordance with our fiduciary duty, along with our efforts to mitigate such conflicts. This information and other required disclosures are attached as **Appendix A**.

Ehlers & Associates will provide municipal advisor advice and service at the rates described in **Appendix B** unless we provide a project-specific disclosure that sets forth the amount and nature of fees and charges relative to that project's scope of engagement.

This documentation and all attached appendices will be effective during the period indicated above unless otherwise terminated by either party upon 30 days written notice to the other party.

This Municipal Advisor Disclosure will be amended or supplemented to reflect any material changes during the term of our municipal advisory relationship.

Sincerely,

Ehlers & Associates



Todd Hagen
Senior Municipal Advisor/Vice President

Appendix A

DISCLOSURE OF CONFLICTS OF INTEREST/OTHER REQUIRED INFORMATION

MSRB Rule G-42 requires that a municipal advisor disclose all material conflicts of interest, whether it engages in certain business practices that could present a material conflict of interest, and any legal or disciplinary events that are material to the client's evaluation of the municipal advisor or the integrity of its management or advisory personnel. Any mitigation activities related to any conflicts must similarly be disclosed in writing.

Municipal Advisor Registration and Investor Brochure

Ehlers & Associates is registered with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

MSRB Contact Information

The website address of the MSRB is www.msrb.org. A municipal advisory client brochure is available and posted on the MSRB's website. The brochure describes the protections that may be provided by MSRB rules and how to file a complaint with an appropriate regulatory authority.

Client may access Ehlers & Associates' most recent Form MA and each most recent Form MA-I by searching the Securities and Exchange Commission's EDGAR system (currently available at <http://www.sec.gov/edgar/searchedgar/companysearch.html>) under either our Company Name (Ehlers & Associates, Inc.) or by using the currently available "Fast Search" function and entering our CIK number (0001604197).

Ehlers & Associates has not made any material changes to Form MA or Form MA-I since the previous Municipal Advisor Disclosure.

Material Legal or Disciplinary Events

Neither Ehlers & Associates nor any of its associated persons have been involved in any legal or disciplinary events reported on Form MA or Form MA-I, nor are there any other material legal or disciplinary events to be reported. Ehlers & Associates' application for permanent registration as a municipal advisor with the SEC was granted on July 28, 2014 and contained the information prescribed under Section 15B(a)(2) of the Securities and Exchange Act of 1934 and rules thereunder. It did not list any information on legal or disciplinary disclosures.

CONFLICTS

Affiliated Entities

Ehlers Companies is the holding company for three wholly owned subsidiaries. Ehlers & Associates is a registered municipal advisor that provides municipal advisory, as well as other financial and consulting services. Bond Trust Services Corporation (BTSC), commonly referred to as “Ehlers Paying Agent Services,” provides fiscal agency services. Ehlers Investment Partners, LLC (EIP), commonly referred to as “Ehlers Investments,” is an SEC-registered investment adviser that provides services with respect to the investment of bond proceeds and generally investable assets. While engaged as municipal advisor by Client, Ehlers & Associates may solicit services on behalf of BTSC and EIP. If Client wishes to retain BTSC and/or EIP, a separate agreement will be provided for Client’s consideration. Ehlers & Associates, BTSC and EIP do not share fees and no personnel of Ehlers & Associates are compensated for specific engagement of BTSC and EIP. However, compensation paid to personnel of Ehlers & Associates and its affiliates is based on the overall profitability of Ehlers Companies and, therefore, fees earned by the affiliates of Ehlers & Associates may affect the compensation of Ehlers & Associates personnel.

Ehlers Companies does not participate in the day-to-day operations of the Municipal Advisor.

Solicitors/Payments Made to Obtain/Retain Client Business

Ehlers & Associates does not use solicitors to secure municipal advisor engagements, nor make direct or indirect payments to obtain or retain municipal advisory engagements with Client.

Payments from Third Parties

Ehlers & Associates does not receive any direct or indirect payments from third parties as an inducement for Ehlers & Associates to recommend third-party services to Client in relation to any municipal securities transaction(s) or municipal financial product(s).

Payments/Fee-splitting Arrangements

Ehlers & Associates does not share fees with any unaffiliated parties that provide services to the Client. However, within a joint proposal with other professional service providers, Ehlers & Associates could be the contracting party, or be a subcontractor to the contracting party, resulting in a fee splitting arrangement. In such cases, the fee due Ehlers & Associates will be identified in a Municipal Advisor Disclosure or a project specific disclosure, and no other fees will be paid to Ehlers & Associates from any of the other participating professionals in the joint proposal.

Conflicts Arising from Compensation, Including Compensation Contingent on the Size or Closing of Any Transaction

The Municipal Advisor's fees may be contingent on the size and successful closing of a transaction. Compensation contingent on the size of a transaction presents a conflict of interest because the Municipal Advisor may have an incentive to advise the Client to increase the size of the securities issue for the purpose of increasing the Municipal Advisor's compensation. Compensation contingent on the closing of the transaction presents a conflict because the Municipal Advisor may have an incentive to recommend unnecessary or unsuitable financings to the Client. In addition, if the transaction is delayed or fails to close, a Municipal Advisor may have an incentive to discourage a full consideration of such facts and circumstances or alternatives that may result in the cancellation of the transaction. The Municipal Advisor shall disclose the contingent nature of any fee and Client may select an alternative form of compensation that best meets the Client's needs related to a specific engagement and agreed-upon scope of services.

If Client is concerned about conflicts arising from Municipal Advisor compensation contingent on size and/or closing of a transaction, Ehlers & Associates is willing to provide another form of municipal advisor compensation. The Client must notify Ehlers & Associates in writing of such request within 10 days of receipt of this Municipal Advisor Disclosure. Ehlers & Associates is required to uphold its fiduciary obligation regardless of the method of compensation.

Other Actual or Potential Material Conflicts of Interest

Ehlers & Associates has no other known actual or potential material conflicts of interest that might impair our duties and obligations to Client.

Appendix B

GENERAL CONSULTING SERVICES

As part of our Municipal Advisory relationship, Ehlers & Associates ordinarily provides Client with certain ongoing services, in some cases without compensation. Examples of such services include:

- Respond to Client questions and provide general information on finance approaches available under state and federal law
- Act as a public finance resource for Client
- Provide educational and informational materials
- Provide current debt schedules for existing Client obligations.
- Answer questions pertaining to existing Client debt obligations
- Provide periodic analysis of and recommendations for refunding opportunities
- Participation in surveillance calls conducted by bond rating services.
- Preliminary Debt Issuance Planning, which may include some or all the services identified below:
 - Discuss potential projects with Client and Client's objectives relating thereto
 - Identify feasible financing option(s) suitable for Client
 - Structure possible financing option(s) and estimate the financial impact(s)
 - Solicit input from Client on financing options(s)
 - Revise option(s) as directed by Client
 - Develop a financing plan for Client's preferred option(s)

Ehlers & Associates may charge Client for these or other general consulting services depending on the time needed to provide the service, the level of analysis required, or degree of complexity involved. Prior to charging Client, Ehlers & Associates will first advise Client of the anticipated charges and receive authorization to proceed. Unless another basis for compensation is agreed to by Client and Ehlers & Associates, Ehlers & Associates will bill Client at an hourly rate that is dependent upon the task and personnel required to meet Client request(s) at no less than \$125.00/hour and not to exceed \$400/hour. Ehlers & Associates will provide a Municipal Advisor Disclosure or project-specific disclosure with scope of work and not-to-exceed fee(s) for any specific engagement involving municipal advisor advice.



MILLER MCDONALD, INC.
Certified Public Accountants
513 Beltrami Avenue
P.O. Box 486
Bemidji, MN 56619
(218) 751 - 6300
Fax (218) 751 - 0782
www.millermcdonald.com

December 7, 2022

To the City Council and City Administrator
City of Blackduck
P.O. Box 380
Blackduck, MN 56630

We are pleased to confirm our understanding of the services we are to provide the City of Blackduck, Minnesota for the year ended December 31, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, **including** the disclosures, which collectively comprise the basic financial statements of the City of Blackduck, Minnesota as of and for the year ended December 31, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain **required** supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Blackduck, Minnesota's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the City of Blackduck, Minnesota's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not **provide** us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedules
- 3) Schedule of the City's and Non-Employer Proportionate Share of the Net Pension Liability
- 4) Schedule of City's Contributions
- 5) Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Blackduck Fire Relief Association
- 6) Schedule of Employer and Non-Employer Contributions – Blackduck Fire Relief Association
- 7) Schedule of Investment Returns – Blackduck Fire Relief Association

8) Schedule of Changes in the City's Total OPEB Liability and Related Ratios

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Blackduck, Minnesota's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements:

- 1) Combining Balance Sheet for the Non-Major Governmental Funds
- 2) Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances for the Non-Major Governmental Funds
- 3) Balance Sheets for the Municipal Water Fund, Municipal Sewage Disposal Fund, and the Municipal Liquor Store Fund
- 4) Schedule of Revenues, Expenses and Changes in Net Position for the Municipal Water Fund, Municipal Sewage Disposal Fund, and the Municipal Liquor Store Fund
- 5) Schedule of Cash Flows for the Municipal Water Fund, Municipal Sewage Disposal Fund, and the Municipal Liquor Store Fund
- 6) Schedule of Expenditures of Federal Awards

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1) Official Directory

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the

Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a **Single Audit**. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls
- Revenue Recognition

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Blackduck, Minnesota's compliance with provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City of Blackduck, Minnesota's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the City of Blackduck, Minnesota's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the City of Blackduck, Minnesota in conformity with accounting principles generally

accepted in the United States of America and the Uniform Guidance based on information provided by you. In addition, we will propose adjusting and correcting journal entries, prepare the state annual reporting form, and maintain the fixed asset listing. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal

awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant

assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the **Audit Scope and Objectives** section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the City of Blackduck, Minnesota; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Miller McDonald, Inc. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State Auditor or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Miller McDonald, Inc. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State Auditor or Federal Agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jon Roscoe is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately February 13, 2023 and to issue our reports no later than June 30, 2023.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross

fee, including expenses, will not exceed \$21,000 for the financial statement audit and \$5,000 for the Single Audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Reporting

We will issue written reports upon completion of our Single Audit. Our report will be addressed to City Council and City Administrator of the City of Blackduck, Minnesota. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the City of Blackduck, Minnesota and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Miller McDonald, Inc.

Miller McDonald, Inc.

RESPONSE:

This letter correctly sets forth the understanding of the City of Blackduck, Minnesota.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

DIVIDEND ANNOUNCEMENT**DECEMBER 7, 2022**

Dear Member,

We are pleased to enclose a check for your share of the \$10 million dividend being returned to members of the League of Minnesota Cities Insurance Trust's property/casualty program. Since 1987, the property/casualty program has returned a total of \$315 million in dividends, and the workers' compensation program has returned an additional \$38 million.

Along with your check, also enclosed is your dividend history and an information sheet showing the data used to calculate your dividend. Your agent will also receive this information, and we encourage you to share it with your city council or other governing body.

Why is a dividend being returned?

If the Trust's fund balance reaches a level where it's more than sufficient to pay claims and plan for contingencies, the Trust can return funds to its members. We re-evaluate every year based on losses experienced by members, actuarial projections, investment results, legislative and coverage changes, reinsurance costs, and the Trust's long-term strategic direction.

What is the dividend formula?

Dividends are calculated based on a formula that recognizes members with a longer history of coverage with the Trust and greater success in avoiding and controlling claims. The breakdown of your share is shown on the enclosed information sheet.

Is there any pattern or trend to the amount of dividend to expect in the future?

Yearly fluctuation in dividend returns is to be expected, and members should not include dividend returns in their yearly budget projections.

Thank you for your continued membership and confidence in the Trust. We are honored to partner with you to serve your community. Feel free to contact Sarah Fredericks, Program Assistant, at sfredericks@lmc.org or (651) 281-1228 if you have any questions.

The League of Minnesota Cities Insurance Trust Board of Trustees

Jake Benson, Councilmember, Proctor
Dave Callister, Manager, Plymouth
Clint Gridley, Administrator, Woodbury
Anna Gruber, Administrator, Sartell

D. Love, Mayor, Centerville
Dave Unmacht, Executive Director, LMC
Alison Zelms, Administrator, Rochester

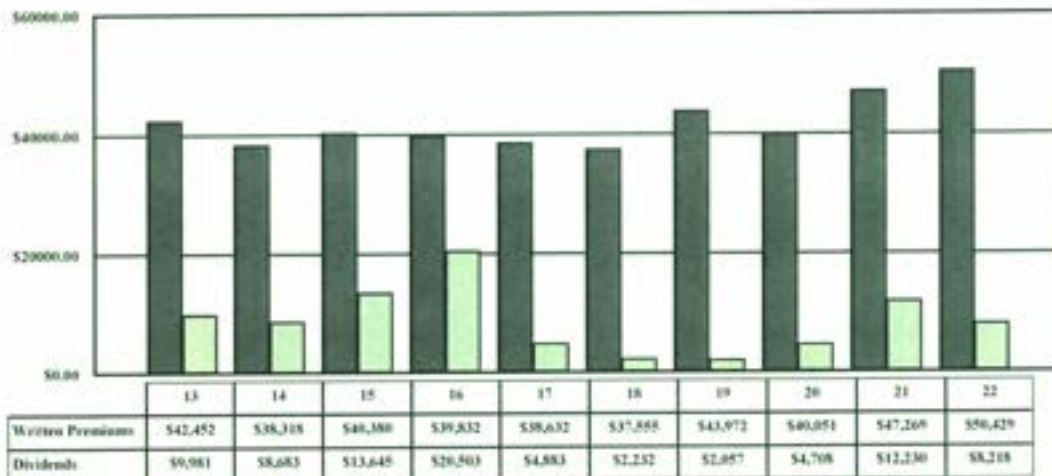
**LEAGUE OF MINNESOTA CITIES INSURANCE TRUST
PROPERTY/CASUALTY
2022 DIVIDEND CALCULATION
AT MAY 31,2022**

Security Insurance USA
Po Box 217
Blackduck MN 566300217

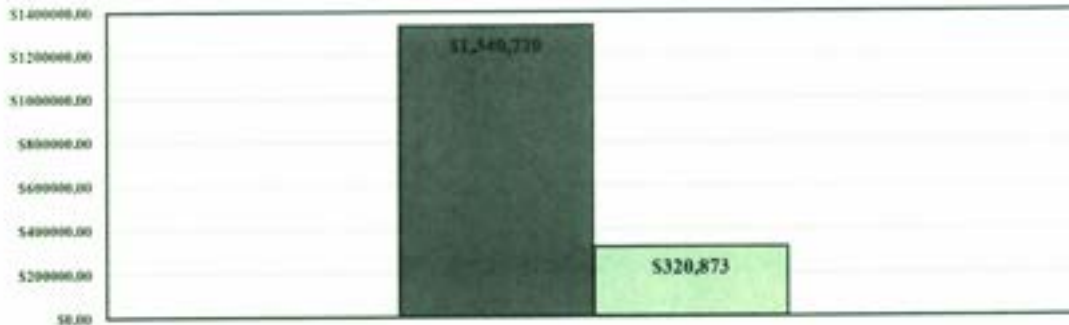
Blackduck
PO Box 380
Blackduck, MN 566300380

GROSS EARNED PREMIUM	\$985,779
ADJUSTED LOSSES	\$336,257
MEMBERS DIVIDEND PERCENTAGE	0.00082183000
DIVIDEND AMOUNT	\$8,218

Premium and Dividend History



Premiums and Dividends Since 1987



The "gross earned premium" figure in the dividend calculation is at May 31, 2022 for the year 2022. The "adjusted losses" figure is the dividend calculation. The "2022 member dividend" figure in the dividend calculation is the Blackduck's 2022 member dividend. The "2022 member dividend" figure is the dividend calculation. The "2022 member dividend" figure is the dividend calculation.

2022-2023 Insurance Renewal Property & Liability

		Property	Auto	Municipal Liability	Dram	Total				Percent of Dividend	Amount of Dividend	R Code:	Per Fund:
Council	101-41110					\$0.00	0.00%	0.00	101-36240	\$2,472.33	0.00%	\$0.00	101-36240
Administrtor	101-41400	\$0.00				\$0.00	0.00%	0.00	201-36240	\$117.73	0.00%	\$0.00	101-36240
Govt Bldgs	101-41940	\$1,055.00		\$117.73		\$1,172.73	1.00%	117.73	209-36240	\$941.84	2.37%	\$194.55	101-36240
Police	101-42110	\$2,223.00	\$2,613.00	\$4,783.19		\$9,619.19	3.00%	353.19	601-36240	\$470.92	19.42%	\$1,595.79	101-36240
Fire	101-42200	\$2,293.00	\$1,454.00	\$353.19		\$4,100.19	3.00%	353.19	602-36240	\$941.84	8.28%	\$680.21	101-36240
Hwy/Streets	101-43100	\$1,179.00	\$1,970.00	\$353.19		\$3,502.19	3.00%	353.19	609-36240	\$3,414.17	7.07%	\$581.00	101-36240
Library	101-45500	\$1,213.00		\$117.73		\$1,330.73	1.00%	117.73	613-36240	\$3,414.17	2.69%	\$220.76	101-36240
Water	601-43200	\$3,016.00		\$470.92		\$3,486.92	4.00%	470.92		\$11,773.00	7.04%	\$578.47	601-36240
Sewer	602-43200	\$3,381.00		\$2,175.84		\$5,556.84	8.00%	941.84			11.22%	\$921.86	602-36240
Liquor	609-49750	\$6,647.00		\$3,414.17		\$10,061.17	29.00%	3414.17			20.31%	\$1,669.11	609-36240
Golf	613-49830	\$1,946.00		\$3,414.17		\$5,360.17	29.00%	3414.17			10.82%	\$889.23	613-36240
PTP	209-45183	\$1,787.00		\$941.84		\$2,728.84	8.00%	941.84			5.51%	\$452.70	209-36240
Cemetery	201-44400	\$144.00		\$117.73		\$261.73	1.00%	117.73			0.53%	\$43.42	201-36240
Parks	101-45200	\$1,179.00		\$1,177.30		\$2,356.30	10.00%	1177.30			4.76%	\$390.90	101-36240
		\$26,063.00	\$6,037.00	\$17,437.00		\$49,537.00	\$49,537.00	100.00%	11773.00	\$11,773.00	\$49,537.00		
												\$8,218.00	
		AMOUNT TO CODE	1st HALF Due 7/01/2022	BUDGET 2022						0.0658	\$0.00		
Property Due: \$26,063.00	101-41940-362	\$1,055.00	\$527.50	\$600.00									
	101-42110-362	\$2,223.00	\$1,111.50	\$1,408.00									
	101-42200-362	\$2,293.00	\$1,146.50	\$1,000.00									
	101-43100-362	\$1,179.00	\$589.50	\$1,850.00									
	101-45500-362	\$1,213.00	\$606.50	\$800.00									
	601-43200-362	\$3,016.00	\$1,508.00	\$1,850.00									
	602-43200-362	\$3,381.00	\$1,690.50	\$3,000.00									
	609-49750-362	\$6,647.00	\$3,323.50	\$7,400.00									
	613-49830-362	\$1,946.00	\$973.00	\$2,600.00									
	209-45183-362	\$1,787.00	\$893.50	\$3,200.00	Property Insurance Budget Total:								
	201-44400-362	\$144.00	\$72.00	\$350.00	\$27,072.00	\$1,009.00							
	101-45200-362	\$1,179.00	\$589.50	\$3,014.00									
Auto Due: \$6,037.00	101-42110-363	\$2,613.00	\$1,306.50	\$2,225.00									
	101-42200-363	\$1,454.00	\$727.00	\$1,400.00									
	101-43100-363	\$1,970.00	\$985.00	\$2,225.00	Auto Insurance Total:								
	601-43200-363	\$0.00	\$0.00	\$0.00	\$5,850.00	Difference:							
	602-43200-363	\$0.00	\$0.00	\$0.00		-\$187.00							
Liability Due: \$17,437.00	101-41940-361	\$117.73	\$58.87	\$85.00									
	101-42110-361	\$4,783.19	\$2,391.60	\$6,924.00									
	101-42200-361	\$353.19	\$176.60	\$250.00									
	101-43100-361	\$353.19	\$176.60	\$292.00									
	101-45500-361	\$117.73	\$58.87	\$85.00									
	601-43200-361	\$470.92	\$235.46	\$400.00									
	602-43200-361	\$2,175.84	\$1,087.92	\$2,050.00									
	609-49750-361	\$3,414.17	\$1,707.09	\$2,800.00	Liability Insurance Total:								
	613-49830-361	\$3,414.17	\$1,707.09	\$2,800.00	\$17,438.00								
	209-45183-361	\$941.84	\$470.92	\$700.00	Difference:	\$1.00							
	201-44400-361	\$117.73	\$58.87	\$80.00									
	101-45200-361	\$1,177.30	\$588.65	\$972.00									
		\$49,537.00	\$24,768.50	\$50,360.00	Over/Under Budget	\$823.00							

City of Blackduck and Blackduck Fire Relief Association

**Pension Accounting Report
2022 GASB 68 for the City
2021 GASB 67 for the Relief Association**

**Valuation Date: December 31, 2021
Measurement Date: December 31, 2021**

December 20, 2022

CITY OF BLACKDUCK AND BLACKDUCK FIRE RELIEF ASSOCIATION

Pension Accounting Report - 2022 GASB 68 for the City, 2021 GASB 67 for the Relief Association

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Introduction and Certification

Purposes of the valuation

This report includes pension financial reporting information determined under Governmental Accounting Standards Board Statement Nos. 67 and 68 (GASB 67/68) for the City of Blackduck (the City) and the Blackduck Fire Relief Association (the Relief Association).

GASB 67/68 standardizes pension disclosure requirements and requires plans to provide additional details about their pension obligations. The information to be disclosed includes:

- Obligations and funded status of the plan,
- The annual GASB 68 accounting expense, and
- Other disclosure information.

The Important Notices section of this report discusses several considerations for this actuarial valuation and its results. We highly recommend that anyone relying on this valuation's content read the Important Notices so they understand the limitations of actuarial results.

The language of this report includes a number of technical terms which have special meanings. The glossary at the end of the report is provided to enhance understanding of these terms; many of them are defined there.

Significant dates

The City has elected to use the GASB 68 "lookback" method where assets and liabilities are measured up to a year prior to fiscal year-end, but applied to the current fiscal year. The results are for the Relief Association's fiscal year 2021, and the City's fiscal 2022 financial statements. The valuation, measurement and reporting dates are:

Valuation date (census)	December 31, 2021
Measurement date (assets and liabilities)	December 31, 2021
Measurement period	January 1, 2021 to December 31, 2021
Reporting date (fiscal year end - Fire Relief)	December 31, 2021
Reporting date (fiscal year end - City)	December 31, 2022

We have not made any adjustments for events after the measurement date. The City's final GASB 68 disclosures should reflect employer contributions between the measurement and reporting dates, as noted on page 6.

Changes from the prior valuation

The plan's funded status increased from 222.6% to 236.9% since the prior valuation. This change is primarily due to investment returns being greater than expected as well as demographic changes.

Changes to the plan provisions and actuarial assumptions reflected in this valuation are described at the end of each of those sections in this report.

Introduction and Certification (continued)**Actuarial certification**

To the best of our knowledge, this report is complete and accurate and all Relief Association liabilities were determined in accordance with generally accepted actuarial principles and practices. Upon receipt of the report, the City and the Relief Association should notify us if you disagree with any information contained in the report or if you are aware of any information that would affect the results that has not been communicated to us. The report will be deemed final and acceptable to the City and the Relief Association unless you notify us immediately.

The actuarial assumptions and methods are the responsibility of the employer. We have reviewed the assumptions and believe that they are reasonable estimates of future plan experience, both individually and in the aggregate. The calculations reported herein are consistent with our understanding of the provisions of GASB 67/68.

The undersigned actuary is a Member of the American Academy of Actuaries and meets the Qualification Standards of the Academy to render the actuarial opinion contained herein. I am available to answer questions on the material contained in the report or to provide explanations or further detail, as may be appropriate. I am not aware of any material direct or indirect financial interest or relationship that could create a conflict of interest or impair the objectivity of our work.



Emily M. Knutson, FSA, EA, MAAA
Consulting Actuary

Van Iwaarden Associates
100 South 5th Street, Suite 1900
Minneapolis, MN 55402
612.596.5960
www.vaniwaarden.com

December 20, 2022
L/D/C/R: 4/dmk/emk/bkh
v.12/12/2022

CITY OF BLACKDUCK AND BLACKDUCK FIRE RELIEF ASSOCIATION

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Pension Accounting Report - 2022 GASB 68 for the City, 2021 GASB 67 for the Relief Association

Summary of Results

	Valuation Date	
	12/31/2021	12/31/2019
A. Participants		
1. Active members	20	22
2. Inactive members entitled to future benefits	2	2
3. Retirees/Disabled	0	0
4. Surviving spouses/beneficiaries	0	0
5. Total	22	24
	Fiscal Year Ending	
	12/31/2022	12/31/2021
B. Funded Status		
1. Total Pension Liability	\$ 226,520	\$ 226,671
2. Plan Fiduciary Net Position (assets)	536,719	504,575
3. Net Pension Liability (1. - 2.)	\$ (310,199)	\$ (277,904)
4. Funded Percent (2. / 1.)	236.94%	222.60%
5. Liability Discount Rate	5.50%	6.25%
C. Accounting Expense	\$ (25,904)	\$ (22,233)
D. Actuarially Determined Contribution (ADC)	n/a	n/a

CITY OF BLACKDUCK AND BLACKDUCK FIRE RELIEF ASSOCIATION

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Pension Accounting Report - 2022 GASB 68 for the City, 2021 GASB 67 for the Relief Association

Statement of Changes in Fiduciary Net Position

	Measurement Period Ending	
	12/31/2021	12/31/2020
	<i>applied to the</i>	
	Fiscal Year Ending ¹	
	12/31/2021	12/31/2020
	12/31/2022	12/31/2021
Additions		
Contributions		
State aid	\$ 22,687	\$ 21,824
City contributions	-	-
Outside donations and other income	-	-
Member contributions	-	-
Total contributions	22,687	21,824
Investment income		
Net appreciation in fair value of investments	25,574	59,178
Interest and dividends	2	14,483
Less investment expense	(5)	(3)
Net investment income	25,571	73,658
Other additions (e.g. receivables)	-	-
Total additions	48,258	95,482
Deductions		
Benefit payments		
Annuity payments to retirees and beneficiaries	-	-
Lump sums	(14,464)	(22,600)
Refunds	-	-
Total	(14,464)	(22,600)
Administrative expense	(1,650)	(1,799)
Other deductions (e.g. payables)	-	-
Total deductions	(16,114)	(24,399)
Net increase in net position	32,144	71,083
Net position restricted for pensions		
Beginning of year	504,575	433,492
End of year	\$ 536,719	\$ 504,575
Investment return for the measurement year		
a. Net investment income	\$ 25,571	\$ 73,658
b. Beginning balance	504,575	433,492
c. Time-weighted cash flows	(9,373)	(3,200)
d. Investment return: a. / (b. + c.)	5.16%	17.12%

¹The City has elected to use the GASB 68 "lookback" method where assets and liabilities are measured up to a year prior to fiscal year-end, but applied to the current fiscal year. The Relief Association's GASB 67 disclosures must use actual fiscal year-end assets.

CITY OF BLACKDUCK AND BLACKDUCK FIRE RELIEF ASSOCIATION

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Pension Accounting Report - 2022 GASB 68 for the City, 2021 GASB 67 for the Relief Association

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at previous fiscal year end (Measured at 12/31/2020)	\$ 226,671	\$ 504,575	\$ (277,904)
Changes for the year:			
Service cost	9,586	-	9,586
Interest	14,314	-	14,314
Differences between expected and actual experience	(14,110)	-	(14,110)
Changes of assumptions	4,523	-	4,523
Changes of benefit terms	-	-	-
Contributions - State and local	-	22,687	(22,687)
Contributions - donations and other income	-	-	-
Contributions - member	-	-	-
Net investment income	-	25,571	(25,571)
Other additions	-	-	-
Benefit payments	(14,464)	(14,464)	-
Administrative expense	-	(1,650)	1,650
Other deductions	-	-	-
Net changes	(151)	32,144	(32,295)
Balance at current fiscal year end¹ (Measured at 12/31/2021)	\$ 226,520	\$ 536,719	\$ (310,199)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
1% decrease in Discount Rate (4.5%)	\$ 231,570	\$ 536,719	\$ (305,149)
Current Discount Rate (5.5%)	226,520	536,719	(310,199)
1% increase in Discount Rate (6.5%)	221,544	536,719	(315,175)

¹The City has elected to use the GASB 68 "lookback" method where assets and liabilities are measured up to a year prior to fiscal year-end, but applied to the current fiscal year. The Relief Association should apply these results to its FYE2021 financial statements, but the City should use the results for its FYE2022 GASB 68 accounting.

Summary of Deferred Outflows and Deferred Inflows

	Outflows	Inflows
Summary of Deferred Outflows/Inflows		
A. Difference between expected and actual liability	\$ -	\$ 18,153
B. Change of assumptions	4,020	-
C. Net difference between projected and actual investment earnings ¹	-	37,075
D. Contributions to the plan subsequent to the measurement date ²	TBD	N/A
E. Total	\$ 4,020	\$ 55,228

Amounts reported as deferred (inflows) outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	Future recognition
2023	(13,761)
2024	(20,152)
2025	(10,297)
2026	(945)
2027	(2,020)
Thereafter	(4,033)
	\$ (51,208)

¹Per GASB 68 paragraph 33.b., deferred inflows/outflows arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and reported as a net deferred inflow or outflow of resources.

²Under GASB 68 paragraph 34., employer contributions made after the Measurement Date and on or before the Reporting Date must be disclosed as Deferred Outflows of Resources. If the contribution amount is not available at the time of this report, "TBD" is shown.

Significant Assumptions and Methods Used to Measure the Total Pension Liability
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Plan type	Single Employer
Discount rate	5.50%
Expected return on plan assets	5.50%
Inflation rate	2.50%
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 67/68
Asset valuation method	Market value of assets
Mortality	Healthy Pre-retirement: Pub-2010 Public Safety Employee mortality tables with projected mortality improvements based on scale MP-2020. Healthy Post-retirement: Pub-2010 Healthy Retired Public Safety mortality tables with projected mortality improvements based on scale MP-2020. Male rates are adjusted by a factor of 0.98. Disabled: Pub-2010 Public Safety Disabled Retiree mortality tables with projected mortality improvements based on scale MP-2020. Male rates are adjusted by a factor of 1.05.

See Basis for Calculations section for more details on actuarial assumptions and methods.

CITY OF BLACKDUCK AND BLACKDUCK FIRE RELIEF ASSOCIATION

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Pension Accounting Report - 2022 GASB 68 for the City, 2021 GASB 67 for the Relief Association

Schedule of Changes in Net Pension Liability and Related Ratios¹

	Fiscal Year Ending December 31 ²	
	<u>2022</u>	<u>2021</u>
Total Pension Liability (TPL, actuarial accrued liability)		
Service cost	\$ 9,586	\$ 9,352
Interest	14,314	13,998
Differences between expected and actual experience	(14,110)	-
Changes of assumptions	4,523	-
Changes of benefit terms	-	-
Benefit payments, including member contrib refunds	(14,464)	(22,600)
Net change in total pension liability	(151)	750
Total Pension Liability - beginning of year	226,671	225,921
Total Pension Liability - end of year	\$ 226,520	\$ 226,671
 Plan Fiduciary Net Position (FNP, assets)		
Contributions - State and local	\$ 22,687	\$ 21,824
Contributions - donations and other income	-	-
Contributions - member	-	-
Net investment income	25,571	73,658
Other additions	-	-
Benefit payments, including member contrib refunds	(14,464)	(22,600)
Administrative expense	(1,650)	(1,799)
Other changes	-	-
Net change in plan fiduciary net position	32,144	71,083
Plan Fiduciary Net Position - beginning of year	504,575	433,492
Plan Fiduciary Net Position - end of year	\$ 536,719	\$ 504,575
 Net Pension Liability (NPL) - end of year	\$ (310,199)	\$ (277,904)
FNP as a percentage of the TPL	236.94%	222.60%

¹The employer must eventually disclose a 10-year history of the schedule of changes in Net Pension Liability and related ratios.

²Fiscal year results above are for the City's GASB 68 accounting. The Relief Association should apply these results to its prior fiscal year (i.e., FYE2022 results above should be applied to the Relief Association's FYE2021 financial statements).

CITY OF BLACKDUCK AND BLACKDUCK FIRE RELIEF ASSOCIATION

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Pension Accounting Report - 2022 GASB 68 for the City, 2021 GASB 67 for the Relief Association

Schedule of Contributions¹

	Fiscal Year Ending December 31 ²	
	<u>2022</u>	<u>2021</u>
Actuarially determined contribution (ADC)	n/a	n/a
Contributions in relation to the ADC	n/a	n/a
Contribution deficiency (excess)	n/a	n/a
Payroll for reporting period (fiscal year)	n/a	n/a
Contributions as a percent of payroll	n/a	n/a

This information is available on the Relief Association's SC Form.

Schedule of Investment Returns¹

	Fiscal Year Ending December 31 ²	
	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	TBD	5.16%

¹The employer and plan must eventually disclosure a 10-year history of the contribution, investment return, and payroll schedules.

²Per GASB 68 paragraph 46 the amounts shown in these schedules are for the actual fiscal year ends and are not from an earlier measurement date. If an amount is not known at the time of this report then a "TBD" is shown and the employer can include the actual amount when it is available.

CITY OF BLACKDUCK AND BLACKDUCK FIRE RELIEF ASSOCIATION

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Pension Accounting Report - 2022 GASB 68 for the City, 2021 GASB 67 for the Relief Association

Calculation of Pension Expense

	Measurement Period Ending	
	12/31/2021	12/31/2020
	<i>applied to the</i>	
	Fiscal Year Ending ¹	
	<u>12/31/2022</u>	<u>12/31/2021</u>
A. Service cost	\$ 9,586	\$ 9,352
B. Interest cost	14,314	13,998
C. Current period benefit changes	-	-
D. Employee contributions	-	-
E. Projected earnings on pension plan investments	(30,950)	(26,893)
F. Pension plan administrative expense	1,650	1,799
G. Other changes in fiduciary net position	-	-
H. Recognition of difference between expected and actual experience	(2,537)	(932)
I. Recognition of assumption changes	517	2
J. Recognition of net difference between projected and actual investment earnings	<u>(18,484)</u>	<u>(19,559)</u>
K. Total pension expense (sum of A. through J.)	\$ (25,904)	\$ (22,233)

¹The City has elected to use the GASB 68 "lookback" method where assets and liabilities are measured up to a year prior to fiscal year-end, but applied to the current fiscal year. The Relief Association's GASB 67 disclosures must use actual fiscal year-end assets.

Calculation of Interest Cost and Projected Plan Earnings for Pension Expense

	Measurement Period Ending	
	12/31/2021	12/31/2020
	<i>applied to the</i>	
	Fiscal Year Ending ¹	
	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>Interest cost calculation</u>		
A. Total Pension Liability at beginning of measurement year	\$ 226,671	\$ 225,921
B. Service cost	9,586	9,352
C. Benefit payments, including refund of member contributions	(14,464)	(22,600)
D. Discount rate at beginning of measurement year	6.25%	6.25%
E. Interest cost ((A. + B. + ½ x C.) x D.)	\$ 14,314	\$ 13,998
 <u>Projected plan earnings calculation</u>		
A. Fiduciary Net Position at beginning of measurement year	\$ 504,575	\$ 433,492
B. Time-weighted cash flows	(9,373)	(3,200)
C. Expected return on assets at beginning of measurement year	6.25%	6.25%
D. Projected plan earnings ((A. + B.) x C.)	\$ 30,950	\$ 26,893
 <u>Investment (gain) or loss</u>		
A. Projected plan earnings	\$ 30,950	\$ 26,893
B. Actual plan investment earnings	25,571	73,658
C. Investment (gain) or loss (A. - B.)	\$ 5,379	\$ (46,765)

¹The City has elected to use the GASB 68 "lookback" method where assets and liabilities are measured up to a year prior to fiscal year-end, but applied to the current fiscal year. The Relief Association's GASB 67 disclosures must use actual fiscal year-end assets.

CITY OF BLACKDUCK AND BLACKDUCK FIRE RELIEF ASSOCIATION

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Pension Accounting Report - 2022 GASB 68 for the City, 2021 GASB 67 for the Relief Association

Schedule of Amortizations: Liability Experience (Gains) and Losses

Fiscal Year	Initial Deferred (Inflow)/Outflow	Initial Amortization Period	Unrecognized Amount	Remaining Amortization Period	Current Year Amortization
2020	\$ (8,444)	9.06	\$ (5,648)	6.06	\$ (932)
2021	-	N/A	-	N/A	-
2022	(14,110)	8.79	(12,505)	7.79	(1,605)
Subtotal			\$ (18,153)		\$ (2,537)

Schedule of Amortizations: Assumption Changes

Fiscal Year	Initial Deferred (Inflow)/Outflow	Initial Amortization Period	Unrecognized Amount	Remaining Amortization Period	Current Year Amortization
2020	\$ 18	9.06	\$ 12	6.06	\$ 2
2021	-	N/A	-	N/A	-
2022	4,523	8.79	4,008	7.79	515
Subtotal			\$ 4,020		\$ 517

Schedule of Amortizations: Investment (Gains) and Losses

Fiscal Year	Initial Deferred (Inflow)/Outflow	Initial Amortization Period	Unrecognized Amount	Remaining Amortization Period	Current Year Amortization
2018	\$ (33,701)	5.00	\$ -	-	\$ (6,741)
2019	31,952	5.00	6,392	1.00	6,390
2020	(49,279)	5.00	(19,711)	2.00	(9,856)
2021	(46,765)	5.00	(28,059)	3.00	(9,353)
2022	5,379	5.00	4,303	4.00	1,076
Subtotal			\$ (37,075)		\$ (18,484)

CITY OF BLACKDUCK AND BLACKDUCK FIRE RELIEF ASSOCIATION

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Pension Accounting Report - 2022 GASB 68 for the City, 2021 GASB 67 for the Relief Association

Summary of Participant Data

	December 31, 2021	December 31, 2019
A. Active members		
1. Number	20	22
2. Average age	45.3	42.8
3. Average years of service	13.5	13.0
B. Inactive members entitled to future benefits (a.k.a. deferred members or vested terminated members)		
1. Number	2	2
2. Average age	48.6	46.6
3. Average years of service	13.5	13.5
C. Inactive members or beneficiaries currently receiving benefits		
1. Number		
a. Retirees	-	-
b. Surviving spouses/beneficiaries	-	-
c. Total	-	-
2. Average age	-	-
3. Total annual benefits being paid	\$ -	\$ -
4. Average annual benefit being paid	-	-
D. Total number of participants (A.1. + B.1. + C.1.)	22	24

Summary of Plan Provisions

A. Eligibility	Active or probationary member of the Relief Association.
B. Service	Completed months.
C. Lump Sum Pension	The later of age 50 or after completion of 20 years of service. The lump sum pension is based on completed months of service. The current lump sum pension is based on \$900 (effective January 30, 2007) per year of service plus a Supplemental Benefit of 10% of the regular lump sum distribution, but not more than \$1,000. If a member is both age 50 and has completed 10 years of service, but not 20 years of service, the lump sum pension will be reduced by 4% for each year of service less than 20 years.
D. Deferred Lump Sum Pension	Termination prior to age 50 with at least 10 years of service. The deferred lump sum pension payable at age 50 is based on the lump sum pension formula and service at date of termination reduced for less than 20 years of service. During the time that a member is on the deferred pension roll, the association shall add to the amount payable to such member interest compounded annually, at the rate earned on the assets of the Special Fund, but not to exceed 5% per year. If a member dies before payment, the benefit will be paid to the participant's beneficiary.
E. Disability Lump Sum Pension	The disability pension payable immediately is based on the lump sum pension formula and service at date of disability without regard to vesting.
F. Survivor Benefit	Years of service times the lump sum rate in effect at the time of death without regard to vesting, payable to named beneficiary plus a Supplemental Survivor Benefit in the amount of 20% of the total benefit paid, but not more than \$2,000.
G. Plan Changes Since Prior Valuation	None.

Summary of Actuarial Methods

A. Actuarial Cost Method	The Entry Age Normal level percent of pay cost method. Under this method, the service cost for an individual participant is the level percentage of pay required to accumulate the funds needed to pay the participant's projected benefits by their assumed retirement age, beginning on the date of entry and ending at last age with any future benefits. The actuarial accrued liability (called the Total Pension Liability or TPL by GASB) is the accumulated value of these annual service costs on a given date.
B. Amortization Method	
Investment Gains and Losses	Straight-line amortization over a closed 5-year period.
Effects of Assumption Changes and Experience Gains and Losses	Straight-line amortization over a closed period equal to the average of the expected remaining service lives of all members (i.e., active employees and terminated/retired members) that are provided with pensions through the pension plan.
C. Data Methods	The Relief Association provided census and financial information for the valuation and we have relied on this data in preparing the results in this report. The data was reviewed for reasonableness and consistency, but we have not performed a complete audit. If any of the information is inaccurate or incomplete, then the results may be materially different and the calculations may need to be revised. To the extent that census data was collected as of a date later than December 31, 2021, we have assumed that it is reasonably representative of the plan census on the valuation date and used it with only minor adjustments.
D. Asset Method	Market value of assets as of the measurement date.
E. Liability Measurement Method	GASB 67 requires that "the total pension liability should be determined by (a) an actuarial valuation as of the pension plan's most recent fiscal year-end or (b) the use of update procedures to roll forward to the pension plan's most recent fiscal year-end amounts from an actuarial valuation as of a date no more than 24 months earlier than the pension plan's most recent fiscal year-end." Similarly, GASB 68 requires that "the total pension liability should be determined by (a) an actuarial valuation as of the measurement date or (b) the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end." Liabilities in this report were calculated as of the current measurement date per GASB 67 and 68 option (a) above.

Summary of Actuarial Methods (continued)**F. Models Used**

The results in this report are based on an actuarial valuation model with three components as outlined in Actuarial Standard of Practice No. 56 - Modeling (ASOP 56):

1. Information inputs including the data, assumptions, methods and plan provisions outlined in this report,
2. Processing by ProVal® actuarial software, and
3. Our report template which translates the ProVal® output into valuation results.

The model is intended to convert the information input above to usable actuarial valuation results. We have reviewed the software's output for reasonableness, and have independently checked sample one-person output where appropriate, but have otherwise relied on it.

Other models used in this actuarial valuation include:

- Expected investment return model based on the Horizon Actuarial Services 2022 Survey of Capital Market Assumptions and the fund's target asset allocation.

Discount Rate Development

GASB 67 and 68 require that the liability discount rate be the single rate that reflects the following:

- A. The long-term expected rate of return on pension plan investments that are expected to be used to finance the payment of benefits, to the extent that (1) the pension plan's fiduciary net position is projected to be sufficient to make projected benefit payments and (2) pension plan assets are expected to be invested using a strategy to achieve that return; and
- B. A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions in A. are not met.

The liability discount rate was developed using the alternative method described in paragraph 43 of GASB 67, which states that "if the evaluations required by paragraph 41 can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan, alternative methods may be applied in making the evaluations." We believe that the plan's current overfunded status, combined with statutory funding requirements, provide sufficient reliability that projected plan assets will be adequate to pay future retiree benefits. Therefore, we have used the plan's long-term expected investment return as the liability discount rate.

Long-Term Expected Investment Return

GASB 67 and 68 require the development of an assumption regarding the long-term expected rate of return on plan assets. The process utilized for this actuarial valuation is described below.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation (2.5%). All results are then rounded to the nearest quarter percentage point.

The best-estimates of expected future asset class returns were published in the 2022 Survey of Capital Market Assumptions produced by Horizon Actuarial Services. These expected returns, along with expected asset class standard deviations and correlation coefficients, are based on Horizon's annual survey of investment advisory firms. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Best-estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Target Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Nominal Rate of Return¹
Domestic equity	43.00%	4.10%	6.60%
International equity	14.00%	4.64%	7.14%
Fixed income	0.00%	1.05%	3.55%
Real estate and alternatives	7.00%	3.54%	6.04%
Cash and equivalents	36.00%	-0.45%	2.05%
Total ²	100.00%		5.43%
Reduced for assumed investment expense ³			(0.04%)
Net assumed investment return (rounded to ¼%)			5.50%

¹Nominal rates of return are equal to real rates of return plus the assumed inflation rate.

²Portfolio total expected return is weighted average of arithmetic asset class returns, with adjustment to reflect geometric averages. It is not equal to the weighted average of the asset class geometric returns shown above.

³Assumed investment expenses include investment management fees.

Summary of Actuarial Assumptions

A. General Information

Valuation date (census)	December 31, 2021
Measurement date (assets and liabilities)	December 31, 2021
Measurement period	January 1, 2021 to December 31, 2021
Reporting date (fiscal year end)	
GASB 67 purposes (Fire Relief)	December 31, 2021
GASB 68 purposes (City) ¹	December 31, 2022

B. Economic Assumptions

Discount Rate (see page 17)	5.50%
Expected long-term rate of return on assets (see page 18)	5.50%
Interest earned on deferred payments	We have assumed the separate accounts will earn 5% per year.
Index rate for 20-year, tax-exempt municipal bonds (Fidelity 20-Year Municipal GO AA Index as of December 31, 2021); used in discount rate determination	1.84%
Inflation Rate ²	2.50%
Lump Sum Benefit Increase Rate ³	N/A

¹The City has elected to use the GASB 68 "lookback" method where assets and liabilities are measured up to a year prior to fiscal year-end, but applied to the current fiscal year. The Relief Association's GASB 67 disclosures must use actual fiscal year-end assets.

²Per GASB 68 instructions, the inflation rate is used to allocate costs under the Entry Age Normal level percent of pay cost method for plans whose benefits are not pay-related.

³GASB rules require that accrued liabilities be based on the terms of the plan in effect on the measurement date. Therefore, we have not reflected any future lump sum multiplier increases even though the Relief Association may have a history of regular benefit increases. Potential increases are contingent on future benefit agreements and statutory average available financing requirements. Any future increases will be reflected at the time they are approved.

Summary of Actuarial Assumptions (continued)

C. Demographic Assumptions

Mortality

Rates used in the July 1, 2021 Minnesota PERA Police & Fire Plan actuarial valuation as described below.

Healthy Pre-retirement: Pub-2010 Public Safety Employee mortality tables with projected mortality improvements based on scale MP-2020.

Healthy Post-retirement: Pub-2010 Healthy Retired Public Safety mortality tables with projected mortality improvements based on scale MP-2020. Male rates are adjusted by a factor of 0.98.

Disabled: Pub-2010 Public Safety Disabled Retiree mortality tables with projected mortality improvements based on scale MP-2020. Male rates are adjusted by a factor of 1.05.

Withdrawal

Service rates used in the July 1, 2021 Minnesota PERA Police & Fire Plan actuarial valuation. Select rates are as follows:

Service	Rates
0	6.00%
1	4.00%
2	2.75%
3-4	2.50%
5-6	2.25%
7-9	2.00%
10	1.75%
11-16	1.50%
17-19	1.25%
20+	1.00%

Summary of Actuarial Assumptions (continued)

C. Demographic Assumptions (continued)

Disability

Age-related rates used in the July 1, 2021 Minnesota PERA Police & Fire Plan actuarial valuation. All incidences are assumed to be duty-related. The rates are as follows:

Age	Rate
20	0.11%
25	0.14%
30	0.21%
35	0.34%
40	0.54%
45	0.62%
50	0.95%
55	1.30%
60	1.30%

Retirement

Active members

We have assumed 50% of active members will retire when reaching retirement eligibility (later of age 50 and 20 years of service); then 50% retire each subsequent year until 100% retirement at the earlier of age 65 or 30 years of service.

Age	With less than 20 years of service	With 20-29 years of service	With 30 years of service
50-64	0%	50%	100%
65	100%	100%	100%

Vested terminated members

The later of current age and age 50.

Beneficiary information

100% of members are assumed to have a beneficiary who would be eligible for survivor benefits.

Spouse age difference

Females are assumed to be 3 years younger than males.

Form of payment

All future retirees are assumed to elect a lump sum payment.

D. Changes Since Prior Valuation

- The expected investment return and discount rate decreased from 6.25% to 5.50% to reflect updated capital market assumptions.
- The disability, mortality and withdrawal assumptions were updated from the rates used in the July 1, 2019 Minnesota PERA Police & Fire Plan actuarial valuation to the rates used in the July 1, 2021 Minnesota PERA Police & Fire Plan actuarial valuation.

Selection of Economic Assumptions

The Actuarial Standards Board (ASB) provides coordinated guidance for measuring pension and retiree group benefit obligations through a series of Actuarial Standards of Practice (ASOPs). ASOP No. 27, Selection of Economic Assumptions for Measuring Pension Obligations, requires that the actuary disclose the rationale used in selecting each non-prescribed economic assumption and any changes to non-prescribed economic assumptions.

The table below summarizes the rationale for selecting the non-prescribed economic assumptions. As of the report date, there were no known changes in circumstances occurring after the measurement date that would have affected economic assumptions selected as of the measurement date.

Economic Assumptions (non-prescribed)	
Assumption	Rationale for Selecting Assumption
Discount rate	Per GASB guidance, the single rate that produces the same present value of expected benefit payments as (1) the expected long-term rate of return on plan assets during the period when projected assets are sufficient to pay future retiree benefits, and (2) the 20-year municipal bond rate after assets are projected to be exhausted.
Expected return on plan assets	Based on blend of expected asset class returns and target asset allocation. See the Long-Term Expected Investment Return section of this report for more details.
Inflation rate	Based on analysis of historical CPI-U and 30-year TIPS data, the Federal Open Market Committee target inflation rate, and the 2022 Survey of Capital Market Assumptions produced by Horizon Actuarial Services.
Municipal bond index rate	Publicly available spot rate which meets the specified GASB 67/68 criteria. We use the Fidelity 20-Year GO AA Index because it meets the GASB requirements and is based on a large amount of municipal security data.

Selection of Non-Economic Assumptions

The Actuarial Standards Board (ASB) provides coordinated guidance for measuring pension and retiree group benefit obligations through a series of Actuarial Standards of Practice (ASOPs). ASOP No. 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, requires that the actuary disclose the rationale used in selecting each non-prescribed non-economic assumption and any changes to non-prescribed non-economic assumptions.

The table below summarizes the rationale for selecting the non-prescribed non-economic assumptions. As of the report date, there were no known changes in circumstances occurring after the measurement date that would have affected non-economic assumptions selected as of the measurement date.

Non-Economic Assumptions (non-prescribed)	
Assumption	Rationale for Selecting Assumption
Mortality	Rates used in the most recent Minnesota PERA Police & Fire Plan actuarial valuation.
Retirement	Due to limited plan-specific data, based on plan's earliest retirement age with allowance for some delayed retirements.
Termination of Employment	Rates used in the most recent Minnesota PERA Police & Fire Plan actuarial valuation.
Disability	Rates used in the most recent Minnesota PERA Police & Fire Plan actuarial valuation.
Form of Payment	Based on recent plan experience.
Percentage Married and Spouse Ages	Based on standard pension plan assumptions. These assumptions have an insignificant impact on plan costs.

Important Notices**Purpose and Scope of the Valuation**

This valuation has been prepared exclusively for the City and Relief Association and solely to provide GASB 67/68 accounting information. It is important to recognize that calculations performed for other purposes (such as benefit design, investment policy, or plan funding) may yield significantly different results. This report may not be used for any other purpose, and Van Iwaarden Associates is not responsible for the consequences of any unauthorized use. Its content may not be modified, incorporated into or used in other material, or otherwise provided, in whole or in part, to any other person or entity, without our permission.

Assumptions and Methods

Since modeling all possible future outcomes is not possible or practical, the valuation is based on a single set of data, assumptions, methods, and plan provisions which satisfy current GASB 67/68 accounting requirements. We may also use estimates or simplifications to model future events in an efficient and cost-effective manner, so long as we believe that these simplifying techniques do not affect the reasonableness of the valuation results.

The City and Relief Association are responsible for the assumptions, methods, and funding policies used to prepare the valuation. The assumptions used in this report are among a wide range of possibilities (each of which may be considered reasonable), but have been chosen as a single "best estimate". A different set of reasonable assumptions would produce different results. This report does not include analysis of the effect of alternative assumptions because that is beyond the limited scope of our engagement. If the City or Relief Association is interested in analyzing the effect of different assumption sets on the valuation results, then we suggest a sensitivity analysis to be performed at a later date.

Actuarial Measurement Changes

An actuarial valuation is only a snapshot of a plan's estimated financial condition at a single point in time. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements.

Actuarial valuations are extremely complex and it's possible that data, computer coding, and mathematical errors could occur during the valuation process. Errors in a valuation discovered after its preparation may be corrected by revising the current valuation or in a subsequent year's valuation.

Important Notices (continued)**Accuracy of Substantive Plan Information and Census Data**

For purposes of this valuation, we have assumed that the City and Relief Association have validated our summary of the substantive plan provisions and have provided us with any relevant information on interpretation of the plan provisions and changes to the plan terms since the prior valuation.

The City and Relief Association are solely responsible for the validity, accuracy and comprehensiveness of this information. If any data or plan provisions supplied are not accurate and complete, the valuation results may differ significantly.

Impact of Legislative Changes

The legislative and regulatory environments have many implications for pension plans. Changes to current rules and implementation of new legislation are difficult to predict but could have a dramatic impact on the value of future plan benefits.

Glossary of Selected Terms

This section provides the definitions of applicable terminology in the actuarial valuation, with references to both the Governmental Accounting Standards Nos. 67 (GASB 67) and 68 (GASB 68).

Actuarial Cost Method - a procedure for determining the actuarial present value of benefits and for developing an allocation of such value to time periods.

Actuarial Present Value of Benefits - the amount of money needed today to cover the promised benefits for the current participant group, if all actuarial assumptions are exactly met.

Discount Rate - the interest rate used to adjust liabilities and obligations for the time value of money.

Fiduciary Net Position - The value of assets reported by the trustee.

Funding Method - The method used, when determining the (TPL), for allocating costs between past, current, and future years.

GASB Statement No. 67 - the Governmental Accounting Standards Board Statement Number 67 Financial Reporting for Pension Plans.

GASB Statement No. 68 - the Governmental Accounting Standards Board Statement Number 68 Accounting and Financial Reporting for Pensions.

Long-Term Expected Investment Return - the average expected asset return expected to be earned by the pension investments over time.

Measurement Date - the date as of which the Total Pension Liability and Fiduciary Net Position (assets) are measured.

Net Pension Liability - the difference between the accrued actuarial liability (Total Pension Liability) and pension assets (Fiduciary Net Position).

Net Position Restricted for Pensions - accounting terminology for pension plan assets.

Reporting Date - the plan's or employer's fiscal year end.

Service Cost - the portion of the actuarial present value which is allocated to the valuation year by the actuarial cost method.

Total Pension Liability (TPL) - the portion of the actuarial present value which is not provided for by future normal costs, determined under the actuarial cost method.

Valuation Date - the date as of which liabilities are calculated. Liabilities may be "rolled forward" from the Valuation Date to the Measurement Date.



United States Department of Agriculture

Rural Development

December 29, 2022

3217 Bemidji Ave N.
Bemidji, MN 56601
Voice 218.751.1942
Fax 855.831.9441

City of Blackduck
PO Box 380
Blackduck, MN 56630

RE: Pay request #9

Dear Mayor:

The Following invoices will be approved for payment and should be paid directly to the following companies:

PPE #8:

TNT Construction Group, LLC	\$168,582.96
Total	<u>\$168,582.96</u>

The above approved invoices are RD eligible expenses. They will be paid from:

1. Applicant contribution: (\$316,627.00)
=\$ 0.00
2. Interim Financing: (Elhers \$1,655,000-RD Loan #1 and \$310,000-RD Loan #2

Total: =\$168,582.96

Remaining Fund Balances:

Applicant Contribution --	\$ 0.00
Interim Financing/RD Loan #1 -	\$ 0.00
Interim Financing/RD Loan #2-	\$ 308,850.24
Total Funds still available:	\$ 308,850.24

USDA is an equal opportunity provider and employer

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form found online at http://www.ascr.usda.gov/complaint_filing_cust.html or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at programintake@usda.gov.

If you have any questions, please feel free to contact me.

Sincerely,



Angela Bokovoy
Area Specialist

Cc: City Administrator-Christina Regas
WSN -Brent Dammann
WSN-Todd Skyberg

Form RD 1924-18
(Rev. 6-97)UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

PARTIAL PAYMENT ESTIMATE

CONTRACT NO.
2020-11912

PARTIAL PAYMENT ESTIMATE NO.

8

PAGE 1

OWNER:

City of Blackduck, MN

CONTRACTOR

TNT Construction Group, LLC

PERIOD OF ESTIMATE

FROM 12/1/2022 TO 12/31/2022

CONTRACT CHANGE ORDER SUMMARY

ESTIMATE

No.	Agency Approval Date	Amount			
		Additions	Deductions		
1	5/3/2022		138,391.00	1. Original Contract	\$2,064,000.00
2	6/15/2022	10,850.00		2. Change Orders	\$-102,619.25 \$0.00
3	8/17/2022	2,035.00		3. Revised Contract (1 + 2)	\$1,961,380.75 \$0.00
4	9/12/2022	2,337.00		4. Work Completed*	\$1,834,237.75
5	10/11/2022	486.00		5. Stored Materials*	0.00
6	11/08/2022	5,794.00		6. Subtotal (4 + 5)	\$1,834,237.75 \$0.00
7	11/09/2022	14,269.75		7. Retainage*	\$91,711.89
TOTALS		35,771.75 \$0.00	-138,391.00 \$0.00	8. Previous Payments	\$1,573,942.90
NET CHANGE		\$0.00	\$0.00	9. Amount Due (6-7-8)	\$168,582.96 \$0.00

* Detailed breakdown attached

CONTRACT TIME

Original (days) 280

Revised

Remaining 53

On Schedule

☒ Yes☐ No

Starting Date 5/1/2022

Projected Completion 1/19/2023

CONTRACTOR'S CERTIFICATION:

The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, that all amounts have been paid by the contractor for work for which previous payment estimates was issued and payments received from the owner, and that current payment shown herein is now due.

Contractor TNT Construction Group, LLC



Date 12-22-22

ARCHITECT OR ENGINEER'S CERTIFICATION:

The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.

Architect or Engineer Widseth

By

Date 12/27/2022

APPROVED BY OWNER:

Owner Christina A. Regas

By City of Blackduck, City Administrator

Date 12/27/2022

ACCEPTED BY AGENCY:

The review and acceptance of this estimate does not attest to the correctness of the quantities shown or that the work has been performed in accordance with the contract documents.

By

Title

Date 12/29/22

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0012. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and completing and reviewing the collection of information.

RD 1924-18 (Rev. 6-97)



AIA Document G703[®] - 1992

Continuation Sheet

AIA Document G702[®], Application and Certification for Payment, or G732[™], Application and Certificate for Payment, Construction Manager as Adviser Edition, containing Contractor's signed certification is attached.
Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 008
APPLICATION DATE: December 22, 2022
PERIOD TO: December 31, 2022
ARCHITECT'S PROJECT NO: 2020-11912

A	B	C	D		E	F	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G-C)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE)	
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD						
	BOND	30,000.00	30,000.00	0.00	0.00	30,000.00	100.00%	0.00	0.00	
	BUILDING MATERIALS	277,000.00	268,000.00	9,000.00	0.00	277,000.00	100.00%	0.00	0.00	
	CARPENTRY	291,409.00	241,060.00	40,000.00	0.00	281,060.00	96.45%	10,349.00	0.00	
	DRYWALL	30,200.00	20,000.00	10,200.00	0.00	30,200.00	100.00%	0.00	0.00	
	CONCRETE / TESTING	183,000.00	183,000.00	0.00	0.00	183,000.00	100.00%	0.00	0.00	
	MISCELLANEOUS METALS	43,000.00	40,000.00	3,000.00	0.00	43,000.00	100.00%	0.00	0.00	
	INSULATION / FIREPROOF	55,000.00	55,000.00	0.00	0.00	55,000.00	100.00%	0.00	0.00	
	DOORS	74,000.00	65,000.00	5,000.00	0.00	70,000.00	94.59%	4,000.00	0.00	
	GARAGE DOORS	65,500.00	62,000.00	3,500.00	0.00	65,500.00	100.00%	0.00	0.00	
	ACCESSORIES	6,000.00	4,000.00	0.00	0.00	4,000.00	66.67%	2,000.00	0.00	
	MECHANICAL	432,000.00	244,000.00	92,000.00	0.00	336,000.00	77.78%	96,000.00	0.00	
	ELECTRICAL	150,000.00	141,000.00	0.00	0.00	141,000.00	94.00%	9,000.00	0.00	
	DIRT / UTILITY / STAKING	288,500.00	288,500.00	0.00	0.00	288,500.00	100.00%	0.00	0.00	
	VALUED ENGINEERING	138,391.00	0.00	0.00	0.00	0.00	0.00%	138,391.00	0.00	
	CO 1 DEDUCT VALUED ENGINEERING	-138,391.00	0.00	0.00	0.00	0.00	0.00%	-138,391.00	0.00	
	CO 2 BAD SOILS	10,850.00	10,850.00	0.00	0.00	10,850.00	100.00%	0.00	0.00	
	CO 3 ELECTRICAL DISCONNECTS	2,035.00	2,035.00	0.00	0.00	2,035.00	100.00%	0.00	0.00	
	CO 4 ADDITIONAL	2,337.00	2,337.00	0.00	0.00	2,337.00	100.00%	0.00	0.00	

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User Notes: (389ADAB5)

A	B	C	D		E	F	G	H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD	MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D + E + F)	% (G-C)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE)
	SILT FENCE								
	CO 5 SNOW GUARDS	486.00	0.00	486.00	0.00	486.00	100.00%	0.00	0.00
	CO 6 DOOR								
	HARDWARE	5,794.00	0.00	0.00	0.00	0.00	0.00%	5,794.00	0.00
	CO 7 FIRE SPRINKLER	14,269.75	0.00	14,269.75	0.00	14,269.75	100.00%	0.00	0.00
	GRAND TOTAL	\$1,961,380.75	\$1,656,782.00	\$177,455.75	\$0.00	\$1,834,237.75	93.52%	\$127,143.00	\$0.00

Month End Remittance Report for December 2022

STATE OF MINNESOTA

Check Number: 888888 Printed: 1/2/2023 Account: First National Bank of Bemidji Checking (Swept)

Beltrami County

County Revenue

Line	GL Account	Statute	Inter-Agency Nbr	Amount
1a	Law Library-Civil	M.S. 134A.10 S1		620.00
1b	Law Library - Criminal	M.S. 134A.10 S3		2,070.00
2	Sheriff's Contingency Fund	M.S 387.213		412.50
9	Prosecution Costs	M.S. 631.48; 609.49		200.00
10	DWI Assessment/County	M.S. 169A.285		370.37
County Revenue Total				\$3,672.87

Municipalities

	GL Account	Statute	Inter-Agency Nbr	Amount
	Bemidji Share Highway Patrol Fines			83.33
	DWI Assessment/Bemidji			402.97
	Bemidji 100%			255.00
	Bemidji 2/3			3,950.83
	Bemidji 1st Late Penalty			64.01
	Bemidji 2nd Late Penalty			253.47
	Sub-Total			\$5,009.61
	GL Account	Statute	Inter-Agency Nbr	Amount
	Blackduck 100%			60.00
	Blackduck 1st Late Penalty			15.00
	Sub-Total			\$75.00
Municipalities Total				\$5,084.61

County Specific

Line	GL Account	Statute	Inter-Agency Nbr	Amount
1	Beltrami County DARE Advisory Board			1,078.65
3	Bemidji Prosecution Costs			350.00
6	Northwood Coalition Battered Women's Shelter			31.50
58	Beltrami County Victim Services			17.50
59	Support Within Reach			26.00
County Specific Total				\$1,503.65

PROGRESS MEETING #15

December 29, 2022

Re: 2020-11912 - Combined Maintenance and Police Facility

Subject: Meeting Minutes

Attendees: Angela Bokovoy, Rural Development Area Specialist – via Teams conference call
Christina Regas, City Administrator
Mike Schwanke, Public Works Director
Clay Witkofsky, TNT Construction Group LLC
Brent Dammann, WIDSETH – via Teams conference call
Todd Skyberg, WIDSETH

Location: Blackduck City Hall

Please note meeting minutes distributed by email only.

1. Outstanding Items from Previous Meetings:

1.1. The Contractor asked the Owner to decide on what they are doing for casework and to coordinate with North Woods.

1.1.1. The Owner to address as soon as possible.

1.2. The Contractor is waiting for the shower valves to arrive on site.

1.2.1. The shower valve system is schedule to arrive on site tomorrow.

2. Review of Work Progress:

2.1. Progress since last meeting:

2.1.1. The taping and finishing of the drywall have started and scheduled to be complete by next Wednesday.

2.1.2. All the hollow metal door frames have been installed.

2.1.3. The hollow metal doors are hung.

2.1.4. The guardrails and handrails are installed, except for one section of guardrail in Room 109.

2.1.5. Door hardware is currently being installed.

2.1.6. The floor heat system is ready for startup.

2.1.6.1. Startup will take place once the taping and finishing of the drywall is complete.

2.1.7. HVAC is 95% complete.

2.1.8. Electrical is 70% complete.

2.1.8.1. Currently pulling wire for devices.

2.1.9. The Contractor noted that the door hardware changed in Change Order #06 is out until around January 19th.

2.1.9.1. Also, the two electrical disconnects added per Change Order #03 are out until the end of January with no set delivery date at this time.

2.2. Sequence of work progress:

2.2.1. The taping and finishing of the drywall to be finished by Wednesday, January 4th.

2.2.2. The Contractor to clean the building, once the taping and finishing of the drywall is complete.

2.2.3. The Owner to paint the building interior.

2.2.4. Mechanical and Electrical to continue installation of fixtures.

2.3. Required coordination's to maintain schedule:

2.3.1. The Contractor to coordinate a date with the Owner to when the Owner can come in and paint the interior.

2.3.1.1. The Contractor to coordinate and hold off on hanging the wood doors, bathroom accessories, grilles & louvers and electrical fixtures at the drywall areas until painted.

2.3.2. Due to the delivery issue with the door hardware and electrical disconnects, the Contractor will not be able to complete the project by January 19th as noted in the contract documents.

2.3.2.1. WiDSETH to assemble a change order to adjust the project's completion date.

2.3.2.2. The Contractor to confirm a delivery date on the outstanding items and provide that information to WiDSETH.

3. Status of Submittals:

3.1. Reviewed and approved since last progress meeting:

3.1.1. None currently

3.2. Submittals under review:

3.2.1. 23 0913 Controls

3.3. Rejected submittals:

3.3.1. None currently.

3.4. Submittals scheduled for submission:

3.4.1. 07 9200 Joint Sealant

3.4.2. 09 9600 High-Performance Coatings – trench drain epoxy painting

4. Quality & Work Standards and Correction of Deficient Items:

4.1. The Contractor damaged one of the garage doors panels. A replacement panel has been ordered and awaiting delivery.

5. Request for Information (RFI's):

5.1. None currently.

6. Architect's Supplemental Instructions (ASI's):

6.1. ASI #1 - adjusted the number of nails used at the LVL beam connections; provided additional two-by-six blocking at the typical wall column

6.2. ASI #2 – Rejected by the Owner.

6.3. ASI #3 was issued August 31, 2022. HVAC modifications at the floor joist area, duct insulation and location of louver "L-1".

6.4. ASI #4 was issued September 6, 2022. Add additional silt-fence per MPCA.

7. Status of Proposal Requests:

7.1. Request for Proposal #01 – provide (2) rows of snow guards at the roof above the exhaust hoods. Approved in Change Order #5.

7.2. Request for Proposal #02 – provide smoke detector that tie into the fire alarm system due to the deletion of the fire sprinkler system.

7.2.1. Addressed in Change Order #7.

7.3. Request for Proposal #03 – provide door hardware changes per the Owner's request.

7.3.1. Addressed in Change Order #6.

7.4. Request for Proposal #04 – provide labor credit for installing the fume hood.

7.4.1. Waiting on pricing from Contractor.

8. Status of Change Orders:

- 8.1. Change Order #01 – Value Engineering: Approved
- 8.2. Change Order #02 – bad soils at building area: Approved
- 8.3. Change Order #03 – provide two electrical disconnects: Approved
- 8.4. Change Order #04.- add additional silt-fence: Approved
- 8.5. Change Order #05 – add snow guards per RFP #01: Approved
- 8.6. Change Order #06 – adjust door hardware per RFP #03: Approved
- 8.7. Change Order #07 – add smoke detectors per RFP #02: Approved

9. Applications for Progress Payments

- 9.1. Pay Application #8 was approved.

10. Schedule next Progress Meeting:

- 10.1. There are no additional progress meetings scheduled.
 - 10.1.1. If another progress meeting is needed, it will be coordinated then.

11. Other Discussion Items:

- 11.1. None currently.

If in error, omission, or in need of clarification, contact WiDSETH or mention the issue at the next meeting.

Sincerely,

WiDSETH



Todd Skyberg
Architectural Technician

Field Report

Project Title: Combined Maintenance and Police Facility

Project Number: 2020-11912

Field Report #: 15

Date: December 29, 2022

Time: 11:20 am – 11:55 am

Weather: Cloudy **Temp. Range:** 25 - 30

Contractors on site: TNT Construction and mechanical

Observation:

1. The Contractor is using electric and gas heaters for temporary heat in the building. The air temperature in the building is comfortable.
2. The metal liner panel walls and ceilings are installed.
3. The gypsum board sheeting at the walls and ceilings are installed, except for the shower areas in Rooms 105 and 114.
4. The tape and finishing have started with one coat installed at all drywall areas, except for the shower areas and east mezzanine.
5. The metal guardrails and handrails have been installed, except for one section in Room 109.
6. The hollow metal door frames are installed.
7. The hollow metal doors have been hung and door hardware installed.
8. The Contractor is currently installing hardware at the exterior doors.
9. Both make-up air units are in place.
10. Electrical conduit runs and wiring is in place. The fixture installation is around 50% complete.
11. Mechanical is around 90% complete.
12. The plumber was working in Room 111.
13. Photos taken of the entire site and building area.

Information or Action Required:

1. None currently.

Reported By: Todd Skyberg
Architectural Technician

Attachment: (2) construction photos



League of Minnesota Cities Insurance Trust

Group Self-Insured Workers' Compensation Plan

145 University Avenue West

St. Paul, MN 55103-2044

Phone (651) 215-4173

Statement of Premium Audit Adjustment

The "City"
Blackduck, City Of
PO Box 380
Blackduck, MN 56630-0380

Agreement No. WC 1003177-6
Agreement Period From: 06/01/2021
To: 06/01/2022

Audited Annual Remuneration	Rates Per \$100 Of Remuneration	Code No.	Classification	Audited Premium
\$	\$			\$

SEE ATTACHED SCHEDULE FOR DETAILS

Manual Premium		36,362
Experience Modification	0.77	-8,363
Standard Premium		27,999
Deductible Credit	1.0%	-280
Premium Discount		-2,185
Net Actual Premium		25,534
Less Deposit Premium		27,761
Balance Due LMCIT		-2,227

The foregoing statement is for the year end adjustment to your workers compensation deposit premium. It was prepared after an audit of your payroll records and a final determination of your experience modification factor for the period indicated above. If the final balance shown is due to your city, a check will be issued separately. If the final balance is due to the LMCIT, please forward your remittance, payable to the LMC Insurance Trust, to the administrator at the address indicated above.

Agent:
00623 Security Insurance USA
Po Box 217
Blackduck, MN 56630-0217

League of Minnesota Cities Insurance Trust
Group Self-Insured Workers' Compensation Plan
145 University Avenue West St. Paul, MN 55103-2044 (651) 215-4173

The "City"
Blackduck, City Of
PO Box 380
Blackduck, MN 56630-0380

Agreement No. WC 1003177-6
Agreement Period From: 06/01/2021
To: 06/01/2022

CONTINUATION SCHEDULE FOR INFORMATION PAGE

REMUNERATION	RATE	CODE	DESCRIPTION	AUDITED PREMIUM
	111,347	0.82	8810 CLERICAL OFFICE EMPLOYEES NOC	913
POP	0	238.99	7718 FIREFIGHTERS (VOLUNTEER)NON SMOKING	0
	12,783	6.31	9102 PARKS	807
	0	7.45	7721 POLICE-NON SMOKING	0
	232,097	3.53	9084 ON SALE LIQUOR STORE	8,193
	84,332	5.25	7580 SEWAGE DISPOSAL PLANT	4,427
	24,375	4.57	8017 CHARITABLE GAMBLING	1,114
	58,522	10.41	5506 STREET CONSTRUCTION	6,092
	41,927	4.38	7520 WATERWORKS	1,836
	3,818	9.99	9220 CEMETERY OPERATION	381
	74,896	1.35	9060 CLUB-COUNTRY/GOLF	1,011
	18,200	0.56	9411 ELECTED OR APPOINTED OFFICIALS	102
POP	3,033	265.54	7708 FIREFIGHTERS (VOLUNTEER)	8,054
	41,548	8.26	7720 POLICE	3,432
Manual Premium				36,362

2021		Work Comp Premium 6/1/2021-6/1/2022							
	2021 Budgeted Amount		Amount Due	2nd half payment	Estimated Premium	Percentage Rate	Premium Discount + Deductible Credit	Experience Modification	
Police	\$4,450.00	101-42110-366	\$6,224.13	\$3,112.06	\$9,058.00	22.88%	\$750.62	\$2,083.25	
Fire	\$6,180.00	101-42200-366	\$5,475.14	\$2,737.57	\$7,968.00	20.12%	\$660.29	\$1,832.56	
Streets	\$3,512.00	101-43100-366	\$3,896.09	\$1,948.05	\$5,670.00	14.32%	\$469.86	\$1,304.04	
water	\$2,000.00	601-43200-366	\$2,115.71	\$1,057.85	\$3,079.00	7.78%	\$255.15	\$708.14	
sewer	\$2,500.00	602-43200-366	\$2,581.59	\$1,290.80	\$3,757.00	9.49%	\$311.34	\$864.07	
liquor	\$5,000.00	609-49750-366	\$4,913.06	\$2,456.53	\$7,150.00	18.06%	\$592.51	\$1,644.43	
golf	\$550.00	613-49830-366	\$556.58	\$278.29	\$810.00	2.05%	\$67.12	\$186.29	
parks	\$443.00	101-45200-366	\$649.35	\$324.67	\$945.00	2.39%	\$78.31	\$217.34	
admin	\$500.00	101-41400-366	\$517.42	\$258.71	\$753.00	1.90%	\$62.40	\$173.18	
cemetery	\$250.00	201-44400-366	\$276.92	\$138.46	\$403.00	1.02%	\$33.40	\$92.69	
Facilitator	\$0.00	804-45000-366	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	
PTP	\$0.00	209-45183-366	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	
	\$25,385.00				\$39,593.00	100.00%	\$3,281.00	\$9,106.00	
		Premium Due	\$27,206.00	\$13,603.00					

2021 Work Comp Premium 06/01/2021 - 06/01/2022 After Audit							
			Estimated Premium	Percentage Rate	Premium Discount	Experience Modification	Amount charged per fund:
Police	101-42110-366	\$2,410.01	\$3,432.00	9.44%	(\$232.66)	\$789.34	\$210.19
Fire	101-42200-366	\$5,655.65	\$8,054.00	22.15%	(\$545.99)	\$1,852.36	\$493.27
Streets	101-43100-366	\$4,277.90	\$6,092.00	16.75%	(\$412.98)	\$1,401.12	\$373.11
water	601-43200-366	\$1,289.27	\$1,836.00	5.05%	(\$124.46)	\$422.27	\$112.45
sewer	602-43200-366	\$3,108.71	\$4,427.00	12.17%	(\$300.11)	\$1,018.18	\$271.13
liquor	609-49750-366	\$6,535.53	\$9,307.00	25.60%	(\$630.93)	\$2,140.54	\$570.01
golf	613-49830-366	\$709.94	\$1,011.00	2.78%	(\$68.54)	\$232.52	\$61.92
parks	101-45200-366	\$566.69	\$807.00	2.22%	(\$54.71)	\$185.60	\$49.42
admin	101-41400-366	\$712.75	\$1,015.00	2.79%	(\$68.81)	\$233.44	\$62.16
cemetery	201-44400-366	\$267.54	\$381.00	1.05%	(\$25.83)	\$87.63	\$23.33
Facilitator	804-45000-366	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00
PTP	209-45183-366	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00
			\$36,362.00	100.00%	(\$2,465.00)	\$8,363.00	\$2,227.00
	Premium Due	\$25,534.00	Less Actual Deposit:	\$27,761.00	Balance Due from LMCIT:	\$2,227.00	

\$62.16	R 101-36240	\$1,188.16
\$210.19	R 101-36240	
\$493.27	R 101-36240	
\$373.11	R 101-36240	
\$49.42	R 101-36240	
\$271.13	R 602-36240	
\$570.01	R 609-36240	
\$61.92	R 613-36240	
\$23.33	R 201-36240	
\$112.45	R 601-36240	
\$2,227.00	Total Check	

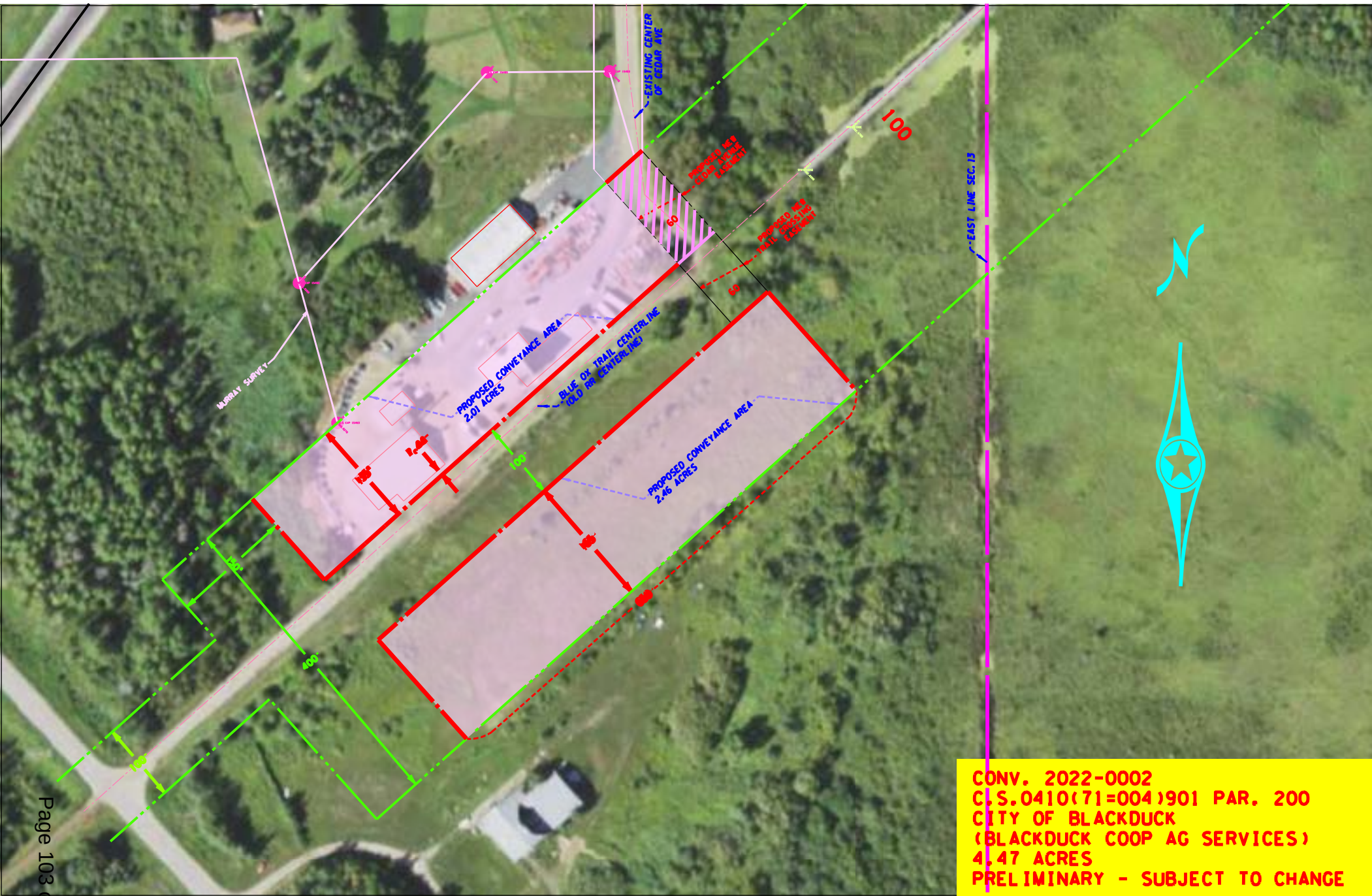
General Fund

Year to Date Income Statement thru 12/31/2022

General Fund Revenues	2022 YTD	2022 Budget	Remaining
Property Taxes	\$264,052.10	\$258,309.00	(\$5,743.10)
LGA	\$283,737.00	\$283,737.00	\$0.00
State, County, Federal Aid - includes ARP funding	\$83,450.13	\$54,500.00	(\$28,950.13)
Fire Protection	\$85,262.51	\$83,655.00	(\$1,607.51)
Other	\$38,318.27	\$28,100.00	(\$10,218.27)
Transfers in - <i>includes Liquor & ARPA</i>	\$55,000.00	\$65,000.00	\$10,000.00
Total General Fund Revenues	\$809,820.01	\$773,301.00	-\$36,519.01

General Fund Expenditures - By Department	2022 YTD	2022 Budget	Remaining
City Council	\$14,418.09	\$15,084.00	\$665.91
Admininstration	\$189,530.77	\$160,722.02	(\$28,808.75)
Planning & Zoning	\$13,449.52	\$11,000.00	(\$2,449.52)
Government Bldgs	\$11,468.01	\$15,035.00	\$3,566.99
Police Department - <i>includes expenses for project</i>	\$149,958.83	\$231,093.82	\$81,134.99
Fire Department	\$97,530.25	\$101,400.00	\$3,869.75
Street Department - <i>includes expenses for project</i>	\$221,352.48	\$169,761.61	(\$51,590.87)
Street Lighting	\$16,532.89	\$14,000.00	(\$2,532.89)
Parks - Wayside Rest	\$21,530.77	\$27,109.74	\$5,578.97
Library	\$24,268.66	\$26,095.00	\$1,826.34
Total General Fund Expenditures	\$760,040.27	\$771,301.19	\$11,260.92

Net Difference **\$49,779.74**



CONV. 2022-0002
C.S.0410(71=004)901 PAR. 200
CITY OF BLACKDUCK
(BLACKDUCK COOP AG SERVICES)
4.47 ACRES
PRELIMINARY - SUBJECT TO CHANGE



CITY OF BLACKDUCK

RESOLUTION NO: 2023-01

RESOLUTION AUTHORIZING THE SALE OF PUBLIC PROPERTY IN THE CITY LIMITS OF THE CITY OF BLACKDUCK, MN

WHEREAS, the City Council of the City of Blackduck have committed to improving the infrastructure, facilities and equipment that serve the City of Blackduck,

AND WHEREAS, the City Council of the City of Blackduck have approved the construction of a new public works / public safety facility located on 197 Industrial Drive NW,

AND WHEREAS, the facility constructed will house the public works department and police department and its equipment,

AND WHEREAS, the relocation of the public works department to the newly constructed facility will vacate existing government property,

AND WHEREAS, the City Council of the City of Blackduck requires government owned property return to the tax base of the City,

AND WHEREAS, government property whose legal description is noted in **Exhibit A** which includes PIN# 81.00162.00 (Parcel B) is utilized by the public works department and will vacate after construction of the new facility is completed,

AND WHEREAS, the City Council of the City of Blackduck acknowledges the government property must sell to a private party to return to the tax base of the City,

AND WHEREAS, the City Council of the City of Blackduck acknowledges the sale of the property at 88 1st Street NE (81.00161.00) has no relationship to the comprehensive plan requiring no initial review of the Planning Commission per MN Statute §462.356 Subd. 2,

THEREFORE, the City Council of the City of Blackduck authorizes the City Administrator, to undertake the necessary steps to put the aforementioned property up for sale,

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BLACKDUCK HEREBY AUTHORIZES THE SALE OF PUBLIC PROPERTY PIN # 81.00161.00.

Revised and Adopted by the City Council on January 9, 2023

Maxwell Gullette, Mayor

Christina Regas – City Administrator



CITY OF BLACKDUCK RESOLUTION NO: 2023-01

State of Minnesota

County of Beltrami
City of Blackduck

I do hereby certify that the foregoing Resolution is a true and correct copy of a resolution presented to and adopted by the Council of the City of Blackduck, Minnesota at a duly authorized meeting thereof held on the 9th day of January 2023, as shown by the minutes of said meeting in my possession.

Christina Regas, City Administrator



CITY OF BLACKDUCK RESOLUTION NO: 2023-02

A RESOLUTION OF ANNUAL APPOINTMENTS AND DESIGNATIONS FOR 2023

WHEREAS, annually, at their first meeting in January, the Blackduck City Council handles annual designations and appointments; and

WHEREAS, included is the designation of the Official Newspaper, Official Depositories and Official Posting, and

WHEREAS, included is the designation of a Vice Mayor; and

WHEREAS, included are the appointments of City Councilors and staff to various boards and commissions.

NOW, THEREFORE, BE IT RESOLVED, that the Blackduck City Council does hereby make the annual designations (*Exhibit A attached hereto*) and appointments (*Exhibit B attached hereto*), effective immediately upon adoption.

Revised by the Blackduck City Council this 9th, day of January, 2023.

APPROVED:

Maxwell Gullette, Mayor

Christina Regas, City Administrator



CITY OF BLACKDUCK RESOLUTION NO: 2023-02

EXHIBIT A

DESIGNATIONS

OFFICIAL NEWSPAPER:	Blackduck American
OFFICIAL POSTING LOCATION:	Blackduck City Hall 8 Summit Avenue NE, Blackduck
OFFICIAL DEPOSITORY:	Deerwood Bank
CITY ATTORNEY:	Joseph J. Langel of RRM Ratwik, Roszak & Maloney, P.A.



CITY OF BLACKDUCK

RESOLUTION NO: 2023-02

EXHIBIT B

APPOINTMENTS AND REPRESENTATION ON VARIOUS COMMITTEES

Vice Mayor: Ronald Fredrickson

City Assessor: County Assessor, Joe Skerik

City Engineer: Widseth

Park & Trail Board (4): Public Works Director, Mike Schwanke
City Administrator, Christina Regas

Council Member Ron Fredrickson

Other Meghan Klein

Other Sandra Miller

Personnel Committee (3): City Administrator, Christina Regas

Council member Donald Johnson

Other Shawnda Lahr

Other Open until CLEO vacancy is filled

Other Mike Schwanke

Public Works Committee (4): Public Works Director, Mike Schwanke
City Administrator, Christina Regas

Council Member Nicholas Seitz

Other Donald Johnson

Liquor Committee (4): Director of Liquor Operations, Shawnda Lahr
City Administrator, Christina Regas

Council Member Donald Johnson

Other Ron Fredrickson

Finance Committee (3): City Administrator, Christina Regas

Council Member Nicholas Seitz

Council Member Maxwell Gullette

Other Mike Schwanke

Public Safety Committee (up to 5): OPEN until CLEO vacancy is filled
Fire Chief Brian Larson

City Administrator, Christina Regas

Public Works Director, Mike Schwanke

Council Member Maxwell Gullette



CITY OF BLACKDUCK

RESOLUTION NO: 2023-02

Golf Board (up to 6): City Administrator, Christina Regas

Golf Director Misty Frenzel

Golf Member Kevin Erpelding

Council Member Maxwell Gullette

Council Member Donald Johnson

Safety Committee (4): Public Works Director, Mike Schwanke
Director of Liquor Operations, Shawnda Lahr
Deputy Clerk, Paige Watson

Other/ Council Member

Planning Commissioners (5):

Appointed Position Kurt Cease

Appointed Position John Wilson Winnett

Appointed Position Christie Christian

Appointed Position Ernie Tindell

Appointed Position Ron Rockis

Zoning Administrator: City Administrator, Christina Regas

Library Board: Paula Erickson

Miriam Osborn

Lorraine Warden

Mary Salmonson

Amy Granlund

Cameron Koenen

Blackduck Librarian Kelly West

Council Member Liaison Laurie Hamilton

Kitchigami Regional Library Representative: Laurie Hamilton

HRA (up to 5): Mayor Maxwell Gullette
Councilor Laurie Hamilton
Councilor Ron Fredrickson
Councilor Nicholas Seitz
Councilor Donald Johnson

City Administrator, Christina Regas



CITY OF BLACKDUCK

RESOLUTION NO: 2023-02

Revolving Loan Fund Committee (up to 5): City Administrator, Christina Regas
Dwight Kalvig (Kalvig & Associates)
Grant Frenzel (Deerwood Bank)
Council Member Maxwell Gullette
Headwaters Regional Development Center Rep Tiffany Fettig

Historical Preservation Committee (up to 8): Laurie Turner
Rob Ingersoll
Avonel Kjellberg
Sherry Gilstad
LaVonne Peterson
Mary Joy
Joan Gunderson
Shirley Gilmore
Carol Hannigan

Ambulance Board Representative (BAII): City Administrator, Christina Regas

Ambulance Joint Powers Emergency Services: Mayor Maxwell Gullette

Blackduck City Ordinance Chapter 3 Administration Section 300.07 Committees.

Subdivision 1. Standing Committees

Committees designated - there shall be the following standing committees.

1. *Liquor Committee*
2. *Park and Trail Board*
3. *Golf Board*
4. *Revolving Loan Committee*
5. *Library Board*
6. *Personnel*
7. *Public Works*
8. *Finance*
9. *Public Safety*

Subdivision 2. Membership

Each committee shall be appointed by the mayor with the approval of the majority of the council. Each committee member shall serve as appointed unless excused by a majority of the members of the council.

Subdivision 3. Referral Reports.

Any matter brought before the council for consideration may be referred by the presiding officer to the appropriate committee or to the special committee appointed by him or her for a written report and committee report shall be signed by a majority of the members and shall be filed with the administrator prior to the council meeting at which it is to be submitted. Minority reports may be submitted. Each committee shall act promptly and faithfully on the matter referred to it.



CITY OF BLACKDUCK RESOLUTION NO: 2023-03

RESOLUTION ACKNOWLEDGING DONATION FROM BLACKDUCK FIRE RELIEF ASSOCIATION

WHEREAS, The City of Blackduck is generally authorized to accept contributions of real and personal property pursuant to Minnesota Statutes §412.21 and §465.03 for the benefit of its citizens and;

WHEREAS, the City of Blackduck has received a donation of \$160,000 from the Blackduck Fire Relief Association; and

WHEREAS, the City of Blackduck host a Fire Department Special Equipment Fund;

NOW THEREFORE BE IT RESOLVED, by the City Council of Blackduck, Minnesota, that the City Council of the City of Blackduck acknowledges and accepts the donation from Blackduck Fire Relief Association for the purpose of depositing in the Fire Department Special Equipment Fund for future capital expenditures; and

BE IT FURTHER RESOLVED THAT, the City Council of the City of Blackduck expresses its thanks and appreciation to Blackduck Fire Relief Association for their continued financial support.

Adopted this 9th day of January, 2023 by the City Council of the City of Blackduck

ATTEST:

Maxwell Gullette, Mayor

Christina Regas, City Administrator



CITY OF BLACKDUCK

RESOLUTION NO: 2023-04

RESOLUTION TO SUPPORT THE AUTHORITY TO IMPOSE A LOCAL SALES TAX TO FUND SPECIFIC CAPITAL IMPROVEMENTS PROVIDING REGIONAL BENEFIT, TO ESTABLISH THE DURATION OF THE TAX AND THE REVENUE TO BE RAISED BY THE TAX, AND TO AUTHORIZE THE CITY OF BLACKDUCK TO ISSUE BONDS SUPPORTED BY THE SALES TAX REVENUE.

WHEREAS, the City of Blackduck has engaged community residents and businesses and identified capital improvements with approximate aggregate principal amount of \$3,800,000.

WHEREAS, the project(s) will result in benefits to both the residents and businesses of the City of Blackduck and to non-resident visitors and businesses; and,

WHEREAS, funding the project(s) with a local sales tax will more closely distribute the cost of the project(s) to the users of the facilities; and,

WHEREAS, the project(s) are estimated to cost approximately \$3,800,000; and,

WHEREAS, the City of Blackduck estimates that a local sales tax of .5 percent would generate \$1,000,000 over 20 years and,

WHEREAS, the City of Blackduck has provided documentation of the regional significance of each project, including the share of the economic benefit to or use of each project by persons residing, or businesses located, outside of the jurisdiction; and,

WHEREAS, the estimated local sales tax revenue and estimated time needed to raise that amount of revenue for each project is as follows:

1. **Project #1** - City Campground Improvement – estimated cost \$632,250; the City would like to use \$200,000 of revenue generated from the sales tax to help pay for this project.
2. **Project #2** – Walking Trail Improvements – estimated cost \$859,400; the City would like to use \$300,000 of revenue generated from the sales tax to help pay for this project.
3. **Project #3** – Wayside Rest Improvements – estimated cost \$856,700; the City would like to use \$250,000 of revenue generated from the sales tax to help pay for this project.
4. **Project #4** – Golf Course Irrigation Improvements – estimated cost \$750,000; the City would like to use \$150,000 of revenue generated from the sales tax to help pay for this project.
5. **Project #5** – Library Reconstruction Project – estimated cost \$500,000; the City would like to use \$100,000 of revenue generated from the sales tax to help pay for this project.



CITY OF BLACKDUCK

RESOLUTION NO: 2023-04

WHEREAS, Minn. Stat. § 297A.99 authorizes the imposition of a general sales tax if permitted by special law of the Minnesota Legislature; and,

WHEREAS, Minn. Stat. § 297A.99 requires the City of Blackduck to pass a resolution authorizing such a local tax and to obtain Legislative approval prior to approval by the local voters to enact the local tax;

THEREFORE, BE IT RESOLVED the following:

1. The City Council supports the authority to impose a general local sales tax of .5 percent for a period of 20 years to fund the aforementioned project(s);
2. Upon approval of this resolution, the City of Blackduck will submit the adopted resolution and documentation of regional significance to the chairs and ranking minority members of the House and Senate Taxes committees for approval and passage of a special law authorizing the tax, by January 31 of the year that it is seeking the special law.
3. Upon Legislative approval and passage of the special law authorizing the tax, the City of Blackduck will adopt a resolution accepting the new law, which will be filed with a local approval certificate to the Office of the Secretary of State before the following Legislative session.
4. The City of Blackduck will put a detailed ballot question(s), which includes separate questions for each project, on a general election ballot for local voter approval. This will be done within two years of receiving legislative authority.
5. If one or more ballot questions pass, the city will also pass an ordinance imposing the tax and notify the commissioner of Revenue at least 90 days before the first day of the calendar quarter that the tax will be imposed.
6. Upon completion of the aforementioned requirements, the local sales tax will commence and run until December 31, 2046 or until a sum sufficient to fund the voter approved project(s), including related debt costs, is raised, whichever comes first.

Adoption by the City Council of the City of Blackduck this 9th day of January, 2023

Maxwell Gullette, Mayor

Christina Regas – City Administrator



CITY OF BLACKDUCK RESOLUTION NO. 2023-05

A RESOLUTION DECERTIFYING TAX INCREMENT FINANCING DISTRICT NO. 1-4 OF THE CITY OF BLACKDUCK

WHEREAS, on October 26, 1996, the City of Blackduck (the "City") created its Tax Increment Financing District No.1-4, (the "District") within its Development District No. 1 (the "Project"); and

WHEREAS, Minnesota Statutes, Section 469.174 to 469.179 authorizes the City Council to decertify a tax increment financing district on any date after all bonds and other obligations have been satisfied; and

WHEREAS, as of the decertification date all obligations to which tax increment from the District have been pledged are paid in full; and

WHEREAS, the City desires by this resolution to decertify the District effective December 31, 2022, by which all taxing jurisdictions will benefit from an increased tax base effective for taxes payable in 2023; and

WHEREAS, the excess tax increment in the account for the District, if any, will be returned to the County Auditor for redistribution to the regular taxing jurisdictions;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Blackduck that it acknowledges such action was taken by the County Auditor of Beltrami County to decertify the District as a tax increment district and to no longer remit tax increment from the District to the City.

Adoption by the City Council of the City of Blackduck this 9th day of January, 2023

Maxwell Gullette, Mayor

Christina Regas – City Administrator



CITY OF BLACKDUCK RESOLUTION NO: 2023-06

RESOLUTION APPROVING AN EXCLUDED BINGO LICENSE FOR THE BLACKDUCK AREA CHAMBER OF COMMERCE

WHEREAS, the Blackduck Area Chamber of Commerce has made application with the Minnesota Gambling Control Board to conduct excluded bingo games to be held on February 19, March 19, and April 16, 2023 at the Blackduck Municipal Liquor Store - The Pond, and

WHEREAS, Blackduck Area Chamber of Commerce has submitted said application to the City Council of the City of Blackduck, and the application was reviewed by the City Council at a public meeting conducted January 9, 2023

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Blackduck hereby approves the application for an Excluded Bingo License, for the Blackduck Area Chamber of Commerce, to be held on February 19, March 19, and April 16, 2023, at the Blackduck Municipal Liquor Store – The Pond 224 Frontage Road Blackduck, MN.

Adopted by the City Council on January 9, 2023

Maxwell Gullette, Mayor

Christina Regas – City Administrator

LG240B Application to Conduct Excluded Bingo**No Fee****ORGANIZATION INFORMATION**

Organization Name: Blackduck Area Chamber of Commerce Previous Gambling Permit Number: XB-92135-22-011

Minnesota Tax ID Number, if any: _____ Federal Employer ID Number (FEIN), if any: _____

Mailing Address: PO Box 373

City: Blackduck State: MN Zip: 56630 County: Beltrami

Name of Chief Executive Officer (CEO): Chris Vacak, Chamber President

CEO Daytime Phone: 218-835-4810 CEO Email: chrisV@securityinsuranceusa.com
(permit will be emailed to this email address unless otherwise indicated below)

Email permit to (if other than the CEO): christina.regas@blackduckmn.com

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

☐ Fraternal ☐ Religious ☐ Veterans ☒ Other Nonprofit Organization

Attach a copy of at least one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

☐ **Current calendar year Certificate of Good Standing**

Don't have a copy? This certificate must be obtained each year from:

MN Secretary of State, Business Services Division
60 Empire Drive, Suite 100
St. Paul, MN 55103

Secretary of State website, phone numbers:

www.sos.state.mn.us

651-296-2803, or toll free 1-877-551-6767

☐ **Internal Revenue Service-IRS income tax exemption 501(c) letter in your organization's name**

Don't have a copy? Obtain a copy of your federal income tax exempt letter by having an organization officer contact the IRS at 877-829-5500.

☒ **Internal Revenue Service-Affiliate of national, statewide, or international parent nonprofit organization (charter)**

If your organization falls under a parent organization, attach copies of both of the following:

1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

EXCLUDED BINGO ACTIVITYHas your organization held a bingo event in the current calendar year? ☐ Yes ☒ No

If yes, list the dates when bingo was conducted: _____

The proposed bingo event will be:

☒ one of four or fewer bingo events held this year. Dates: February 19, March 19, & April 16, 2023**-OR-**☐ conducted on up to 12 consecutive days in connection with a:☐ county fair Dates: _____☐ civic celebration Dates: _____☐ Minnesota State Fair Dates: _____Person in charge of bingo event: Lori Lundberg Daytime Phone: 218-835-7745Name of premises where bingo will be conducted: Blackduck Municipal Liquor Store - The PondPremises street address: 224 Frontage RoadCity: Blackduck If township, township name: _____ County: Beltrami

LG240B Application to Conduct Excluded Bingo

11/17
Page 2 of 2

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

CITY APPROVAL for a gambling premises located within city limits

On behalf of the city, I approve this application for excluded bingo activity at the premises located within the city's jurisdiction.

Print City Name: City of Blackduck

Signature of City Personnel:

Christina A. Regas

Title: City Administrator Date: 12/27/2022

**The city or county must sign before
submitting application to the
Gambling Control Board.**

COUNTY APPROVAL for a gambling premises located in a township

On behalf of the county, I approve this application for excluded bingo activity at the premises located within the county's jurisdiction.

Print County Name: _____

Signature of County Personnel: _____

Title: _____ Date: _____

TOWNSHIP (if required by the county)

On behalf of the township, I acknowledge that the organization is applying for excluded bingo activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minnesota Statutes, Section 349.213.)

Print Township Name: _____

Signature of Township Officer: _____

Title: _____ Date: _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge.

Chief Executive Officer's Signature: *Chris Vacek* Date: 12/22/2022
(Signature must be CEO's signature; designee may not sign)

Print Name: Chris Vacek

MAIL OR FAX APPLICATION & ATTACHMENTS

Mail or fax application and a copy of your proof of nonprofit status to:

Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113
Fax: 651-639-4032

An excluded bingo permit will be mailed to your organization. Your organization must keep its bingo records for 3-1/2 years.

Questions?

Call a Licensing Specialist at 651-539-1900.

Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo. Otherwise, bingo hard cards, bingo paper, and bingo number selection devices must be obtained from a distributor licensed by the Minnesota Gambling Control Board. To find a licensed distributor, go to www.mn.gov/gcb and click on **Distributors** under the **LIST OF LICENSEES** tab, or call 651-539-1900.

This form will be made available in alternative format (i.e. large print, braille) upon request.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board

will be able to process the application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board

members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

An equal opportunity employer



CITY OF BLACKDUCK RESOLUTION NO: 2023-07

RESOLUTION APPROVING AN EXCLUDED BINGO LICENSE FOR THE BLACKDUCK AREA CHAMBER OF COMMERCE

WHEREAS, the Blackduck Area Chamber of Commerce has made application with the Minnesota Gambling Control Board to conduct excluded bingo games to be held on August 19, 2023 at the Blackduck Wayside Rest Park, and

WHEREAS, Blackduck Area Chamber of Commerce has submitted said application to the City Council of the City of Blackduck, and the application was reviewed by the City Council at a public meeting conducted January 9, 2023

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Blackduck hereby approves the application for an Excluded Bingo License, for the Blackduck Area Chamber of Commerce, to be held on August 19, 2023 at the Blackduck Wayside Rest Park – 72 Frontage Road Blackduck, MN.

Adopted by the City Council on January 9, 2023

Maxwell Gullette, Mayor

Christina Regas – City Administrator

LG240B Application to Conduct Excluded Bingo**No Fee**11/17
Page 1 of 2**ORGANIZATION INFORMATION**

Organization Name: Blackduck Area Chamber of Commerce Previous Gambling Permit Number: XB-92135-22-011

Minnesota Tax ID Number, if any: _____ Federal Employer ID Number (FEIN), if any: _____

Mailing Address: PO Box 373

City: Blackduck State: MN Zip: 56630 County: Beltrami

Name of Chief Executive Officer (CEO): Chris Vacek, Chamber President

CEO Daytime Phone: 218-835-4810 CEO Email: chrisV@securityinsuranceusa.com
(permit will be emailed to this email address unless otherwise indicated below)

Email permit to (if other than the CEO): christina.regas@blackduckmn.com

NONPROFIT STATUS

Type of Nonprofit Organization (check one):

☐ Fraternal ☐ Religious ☐ Veterans ☒ Other Nonprofit Organization

Attach a copy of at least one of the following showing proof of nonprofit status:

(DO NOT attach a sales tax exempt status or federal employer ID number, as they are not proof of nonprofit status.)

- ☐ **Current calendar year Certificate of Good Standing**
Don't have a copy? This certificate must be obtained each year from:
MN Secretary of State, Business Services Division
60 Empire Drive, Suite 100
St. Paul, MN 55103
Secretary of State website, phone numbers:
www.sos.state.mn.us
651-296-2803, or toll free 1-877-551-6767
- ☐ **Internal Revenue Service-IRS income tax exemption 501(c) letter in your organization's name**
Don't have a copy? Obtain a copy of your federal income tax exempt letter by having an organization officer contact the IRS at 877-829-5500.
- ☒ **Internal Revenue Service-Affiliate of national, statewide, or international parent nonprofit organization (charter)**
If your organization falls under a parent organization, attach copies of both of the following:
1. IRS letter showing your parent organization is a nonprofit 501(c) organization with a group ruling; and
2. the charter or letter from your parent organization recognizing your organization as a subordinate.

EXCLUDED BINGO ACTIVITYHas your organization held a bingo event in the current calendar year? ☐ Yes ☒ No

If yes, list the dates when bingo was conducted: _____

The proposed bingo event will be:

☒ one of four or fewer bingo events held this year. Dates: August 19, 2023**-OR-**☐ conducted on up to 12 consecutive days in connection with a:☐ county fair Dates: _____☐ civic celebration Dates: _____☐ Minnesota State Fair Dates: _____Person in charge of bingo event: Lori Lundberg Daytime Phone: 218-835-7745Name of premises where bingo will be conducted: Blackduck Wayside Rest ParkPremises street address: 72 Frontage RoadCity: Blackduck If township, township name: _____ County: Beltrami

LG240B Application to Conduct Excluded Bingo

11/17
Page 2 of 2

LOCAL UNIT OF GOVERNMENT ACKNOWLEDGMENT (required before submitting application to the Minnesota Gambling Control Board)

CITY APPROVAL for a gambling premises located within city limits

On behalf of the city, I approve this application for excluded bingo activity at the premises located within the city's jurisdiction.

Print City Name: City of Blackduck

Signature of City Personnel:

Christina A. Regas

Title: City Administrator Date: 12/27/2022

**The city or county must sign before
submitting application to the
Gambling Control Board.**

COUNTY APPROVAL for a gambling premises located in a township

On behalf of the county, I approve this application for excluded bingo activity at the premises located within the county's jurisdiction.

Print County Name: _____

Signature of County Personnel: _____

Title: _____ Date: _____

TOWNSHIP (if required by the county)

On behalf of the township, I acknowledge that the organization is applying for excluded bingo activity within the township limits. (A township has no statutory authority to approve or deny an application, per Minnesota Statutes, Section 349.213.)

Print Township Name: _____

Signature of Township Officer: _____

Title: _____ Date: _____

CHIEF EXECUTIVE OFFICER'S SIGNATURE (required)

The information provided in this application is complete and accurate to the best of my knowledge.

Chief Executive Officer's Signature: *Chris Vacek* Date: 12-29/2022

(Signature must be CEO's signature; designee may not sign)

Print Name: Chris Vacek

MAIL OR FAX APPLICATION & ATTACHMENTS

Mail or fax application and a copy of your proof of nonprofit status to:

Minnesota Gambling Control Board
1711 West County Road B, Suite 300 South
Roseville, MN 55113
Fax: 651-639-4032

An excluded bingo permit will be mailed to your organization. Your organization must keep its bingo records for 3-1/2 years.

Questions?

Call a Licensing Specialist at 651-539-1900.

Bingo hard cards and bingo number selection devices may be borrowed from another organization authorized to conduct bingo. Otherwise, bingo hard cards, bingo paper, and bingo number selection devices must be obtained from a distributor licensed by the Minnesota Gambling Control Board. To find a licensed distributor, go to www.mn.gov/gcb and click on **Distributors** under the **LIST OF LICENSEES** tab, or call 651-539-1900.

This form will be made available in alternative format (i.e. large print, braille) upon request.

Data privacy notice: The information requested on this form (and any attachments) will be used by the Gambling Control Board (Board) to determine your organization's qualifications to be involved in lawful gambling activities in Minnesota. Your organization has the right to refuse to supply the information; however, if your organization refuses to supply this information, the Board may not be able to determine your organization's qualifications and, as a consequence, may refuse to issue a permit. If your organization supplies the information requested, the Board

will be able to process the application. Your organization's name and address will be public information when received by the Board. All other information provided will be private data about your organization until the Board issues the permit. When the Board issues the permit, all information provided will become public. If the Board does not issue a permit, all information provided remains private, with the exception of your organization's name and address which will remain public. Private data about your organization are available to Board

members, Board staff whose work requires access to the information; Minnesota's Department of Public Safety; Attorney General; Commissioners of Administration, Minnesota Management & Budget, and Revenue; Legislative Auditor, national and international gambling regulatory agencies; anyone pursuant to court order; other individuals and agencies specifically authorized by state or federal law to have access to the information; individuals and agencies for which law or legal order authorizes a new use or sharing of information after this notice was given; and anyone with your written consent.

An equal opportunity employer



CITY OF BLACKDUCK
CONFLICT OF INTEREST / CODE OF ETHICS POLICY
FOR ELECTED OFFICIALS, MEMBERS OF CITY BOARDS,
COMMISSIONS, AND COMMITTEES
ADOPTED: APRIL 6, 2020 UPDATED: JANUARY 9, 2023

A. POLICY:

The residents and businesses of Blackduck are entitled to have fair, ethical, and accountable local government. Such a government requires that public officials of Blackduck:

- Comply with both the letter and the spirit of the laws and policies affecting operations of the city government.
- Be independent, impartial, and fair in their judgment and actions.
- Use their public office for the public good, not for personal or familial gain.
- Conduct public deliberations and processes openly, unless legally confidential, in an atmosphere of respect and civil service.

City Council-members shall review and sign this Conflict of Interest/Code of Ethics policy in January of each year.

B. CODE OF ETHICS:

To this end, the Blackduck City Council has adopted this Conflict of Interest / Code of Ethics policy to encourage public confidence in the integrity of local government and in its fair and effective operation.

1. Act in the Public Interest

Recognizing the stewardship of the public interest must be the councilmember's primary concern. Councilmember's shall work for the common good of the people of Blackduck and not for any private or personal interest, and they will endeavor to treat all persons, claims, and transactions in a fair and equitable manner.

2. Comply with both the spirit and the letter of the Law and City Policy

Councilmember's shall comply with the laws of the nation, the State of Minnesota, and the City of Blackduck in the performance of their public duties. These laws include, but are not limited to: the United States and Minnesota constitutions; City of Blackduck ordinances and policies; laws pertaining to conflicts of interest, election campaigns, financial disclosures, employer responsibilities and open processes of government. Councilmember's shall inform themselves of the laws and policies to which they are held accountable.

3. Conduct of Members

The professional and personal conduct of a member must be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of any other members of Council, boards, commissions, or the public. Treat each other, staff or member of the public in a manner that is respectful and does not foster a hostile and unprofessional environment, whether in the workplace or at a city approved social event.



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4. Respect for Process

A Member shall perform his or her duties in accordance with the processes and rules of order established by the City Council and board and commissions governing the deliberation of public policy issues, meaningful involvement of the public, and implementation of policy decisions of the City Council by City staff.

5. Conduct of Public Meetings

A Member shall prepare themselves for public issues; listen courteously and attentively to all public discussion before the body; and focus on the business at hand. Each member shall refrain from interrupting a speaker; making personal comments not germane to the business of the body; or otherwise interfering with the orderly conduct of meetings.

6. Decisions Based on Merit

Council decision shall be based upon the merits and substance of the matter at hand.

7. Communication

It is the responsibility of Councilmember's to publicly share substantive information that is relevant to a matter under consideration that they have received from sources outside of the public decision-making process with all other Councilmember's.

8. Disclosure of Corruption

All City officials shall take an oath upon assuming office, pledging to uphold the constitution and laws of the City, the State and the Federal government. As part of this oath, officials commit to disclosing to the appropriate authorities and/or to the City Council any behavior or activity that may qualify as corruption, abuse, fraud, bribery, or other violation of the law.

9. Confidential Information

Councilmember's shall respect and preserve the confidentiality of information provided to them concerning the confidential matters of the City. They shall neither disclose confidential information without proper legal authorization nor use such information to advance their personal, financial, or private interests.

10. Use of Public Resources

Public resources not available to the general public (e.g. City staff time, equipment, supplies, or facilities) shall not be used by Councilmember's for private gain or personal purposes.

11. Representation of Private Interests

In keeping with their role as stewards of the public trust, Councilmember's shall not appear on behalf of the private interests of a third-party before the City Council or any board or committee of the City.



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12. Advocacy

Each member shall represent the official policies or positions of the City Council, board or commission to the best of his or her ability when designated for this purpose. When presenting individual opinions or positions, a member shall explicitly state the opinion or positions do not represent the opinion or position his/her body, or the City of Blackduck, nor will he or she allow the inference that he or she does councilmembers or board and or commission member and each city employees has the right to endorse candidates for all Council seats or other elected offices. It is inappropriate to mention or display endorsements during any Council meeting, board or commission meetings, or any official City meeting.

- 13. Policy Role of Members** - Each member shall respect and adhere to the council-manager structure of Blackduck City government as outlined by the Blackduck City Ordinance. In this structure, the City Council determines the policies of the City with the advice, information and analysis provided by the public, boards, commissions, and City staff. Except as provided by the City Ordinance, no members shall interfere with the administrative functions of the City or the professional duties of City staff; nor shall any member impair the ability of staff to implement Council policy decisions.

14. Improper Influence

Councilmember's shall refrain from using their position to improperly influence the deliberations or decisions of City staff, Council, or committees.

15. Positive Work Environment

Each member shall support the maintenance of a positive and constructive work place environment for City employees and for citizens and businesses dealing with the City. Each member shall recognize his or her special role in dealings with City employees so as not to create the perception of inappropriate direction to staff.

16. Compliance and Enforcement

Councilmember's themselves have the primary responsibility to assure that ethical standards are understood and met and that the public can continue to have full confidence in the integrity of City government.

C. CONFLICT OF INTEREST:

1. In order to assure their independence and impartiality on behalf of the public good, Councilmember's shall not use their official positions to influence government decisions in which they have a financial interest or where they have an organizational responsibility or a personal relationship that would present a conflict of interest under applicable State law.
2. In accordance with the law, members shall file written disclosures of their economic interest and if they have a conflict of interest regarding a particular decision. They shall refrain from participating in that decision unless otherwise permitted by law.



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3. A councilmember may leave the meeting room during a discussion where a conflict of interest arises because of family relationships. The Councilmember will abstain from voting on an issue where a conflict of interest arises because of family relationships. These actions will be duly noted in the minutes of the meeting.
4. Councilmember's shall not take advantage of services or opportunities for personal gain, by virtue of their public office that is not available to the public in general. They shall refrain from accepting gifts, favors or promises of future benefits that might compromise their independence of judgment or action or give the appearance of being compromised

D. SANCTIONS:

Model of Excellence

Any City Councilmember, Board and Commission Member or Council appointee who does not review the City Conflict of Interest / Code of Ethics Policy and sign the Model of Excellence (*Appendix A*) shall be ineligible for intergovernmental assignments or Council subcommittees.

Ethics and Conduct Training for Local Officials

Any City Councilmember, Board and Commission Member, Council appointee who is out of compliance with State- or City-mandated requirements for ethics training shall not represent the City regarding intergovernmental assignments or Council sub-committees, and may be subject to sanction.

Public Disruption

Members of the public who do not follow proper conduct after a warning in a public meeting may be barred from attending or speaking at that meeting and removed from the meeting.

Inappropriate Staff Behavior

Councilmembers should refer, to the City Administrator, or Mayor, or to the city attorney, any staff who does not follow proper conduct in their dealings with Councilmembers, other City staff, or the public. These employees may be disciplined in accordance with standard City procedures for such actions.

Councilmembers Behavior and Conduct

Compliance and Enforcement. The Blackduck Conflict of Interest / Code of Ethics Policy expresses standards of ethical conduct expected from each member of the Blackduck City Council, or any board, commissions, or city appointee. Each member has the primary responsibility to assure the standards are understood and met, and that the public can continue to have full confidence in the integrity and conduct of Blackduck's government.

The chair of each board and commission as well as the Mayor and Council have the additional responsibility to intervene when any actions of a member which appears to be in violation of the Conflict of Interest / Code of Ethics Policy is brought to his or her attention.



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Any City Councilmembers who intentionally and repeatedly do not follow the provisions of the Conflict of Interest / Code of Ethics Policy may be sanctioned and reprimanded or formally censured by the Council, lose seniority or committee assignments (*both within the City of Blackduck or with inter-government agencies*) or have official travel restricted. Serious infractions of the Conflict of Interest / Code of Ethics Policy could lead to other sanctions as deemed appropriate by the Council.

Councilmembers should point out to the offending Councilmember any infractions of the Conflict of Interest / Code of Ethics Policy. If the infraction(s) continue, then the matter should be referred to the Mayor for action. If the Mayor is the individual whose action(s) are being challenged, the matter shall be referred to the Vice Mayor. It is the responsibility of the Mayor to initiate action if a Councilmember's behavior may warrant sanction. If no action is taken by the Mayor, the alleged violation(s) can be brought to the full Council in a public meeting.

Board & Commission Members Behavior and Conduct

Counseling, verbal reprimand and written warning may be administered by the Mayor to any board, commission member failing to comply with City policy. Such sanctions shall be private consistent with Minnesota law. If followed by Minnesota law copies of written reprimand administered by the Mayor shall be distributed in memo format to any chair of the appropriate board or commission, the city clerk, the city attorney, the City Administrator, and the City Council.

C(1) Any written reprimand administered by the Mayor shall not be distributed to any member of the public and shall not be publicized except as required pursuant to the Public Records Act.

C(2) The City Council may impose sanctions on a board or commission member, and city appointee whose conduct does not comply with the city policy, including but not limited to removal from office, position or job.

C(3) Any form of discipline imposed by Council shall be determined by a majority vote of at least a quorum of the Council at a noticed public meeting and such action shall be preceded by a Report to the Council with supporting documentation. The Report to Council shall be distributed in accordance with Minnesota Public Records Act normal procedures, including hard copies and posting online. Any Report to Council addressing alleged misconduct by a board or commission member shall be routed through the Office of the city attorney for review as to whether any information within the report is exempt from disclosure pursuant to the Minnesota Public Records Act.

C (4) If in the opinion the City Administrator or city attorney an investigation is warranted, the city administrator or city attorney shall confer with the Mayor or Council. If in the opinion of the Mayor or Council shall direct the City Administrator and/or the city attorney to investigate the allegation and report the findings.

C(5) The results of any such investigation shall be provided to the full Council in the form of a Report to Council, and shall be placed on the agenda of a noticed public meeting as "Information Only". Any such



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report shall be made public and distributed in accordance with the Minnesota Public Records Act. Including hard copies to numerous public locations and posted online. Any report to the Council addressing an investigation of any board or commission member shall be directed to the Office of the City Attorney for review whether any information is exempt from disclosure pursuant to the Minnesota Public Records Act.

C(6) It shall be the Mayor's and/or the Council's responsibility to determine the appropriate action. Any action taken by Council (*with the exception of "take no further action"*) shall be conducted at a noticed public hearing. Actions which the council may undertake include, but are not limited to: discussing and counseling the individual with respect to the violation(s); placing the matter on a future public hearing agenda to consider sanctions; forming an ad hoc subcommittee of council members to review the allegation, the investigation and its findings, as well as to recommend options for Council consideration.

C(7) Under the City Ordinance, the City Council also may remove any member of boards and commissions from office. A violation of this Code of Ethics and Conduct shall not be considered a basis for challenging the validity of the Council, boards or commission's decision.

This policy updated January 9, 2023.

Mayor Maxwell Gullette

Council Member Laurie Hamilton

Council Member Nicholas Seitz

Councilor Member Ronald Fredrickson

Council Member Donald Johnson

Attest: Christina Regas – City Administrator

Date signed



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APPENDIX A
MODEL OF EXCELLENCE
Blackduck City Council Elected Officials,
Members of Boards, Commissions, and Committees

I certify that the individual named below was provided a copy of the City of Blackduck Conflict of Interest / Code of Ethics and copy of this form on the date indicated below.

Name_____

Signed this day of_____20____

Department_____

Position_____

City Administrator

Date



**Brownfields and Redevelopment Unit
Grant Adjustment Notice**

Grant Number: RDLP-21-0001-o-FY21
Grantee: City of Blackduck
Grant Name: Main Street Commercial
Adjustment Number: 2

THE FOLLOWING ADJUSTMENT IN THE ABOVE GRANT IS NOW APPROVED:

☒ A. The status of the grant is now: Closed, pending monitoring
The former status was: Awarded

☒ B. The budget amounts for this grant are changed as follows:

Activity	Former	Change	Final
Acquisition	\$23,992.56	\$0.00	\$23,992.56
Demolition	\$123,000.00	(\$6,910.00)	\$116,090.00
Asbestos Abatement	\$21,950.00	\$0.00	\$21,950.00
Total	\$168,942.56	(\$6,910.00)	\$162,032.56

☒ C. Other (Narrative):

The City of Blackduck has completed demolition and abatement of this project. The final loan amount is \$162,032.56. The loan's balance of \$2,839.44 shall revert back to Fund 2001, Appropriation ID B221185, and Project ID B22RedevSpRev.

Prepared by: Angela Oldson

Date: 1/3/2023

Approved by: [Signature]

Date: 1/3/23

From: [Carlson, Gary](#)
To: [Christina Regas](#)
Subject: Re: 2022 Local sales tax cities and those seeking adjustments to the 2021 authorizations
Date: Friday, January 6, 2023 8:30:05 PM

[EXTERNAL]

Christina,

I would continue to have the council approve an updated resolution as if you need to do the entire process over again. If they pick up last year's bill, I will make sure they use updated project costs from the cities.

I will know more on Monday after I meet with Senator Rest.

Gary

Gary N. Carlson
League of Minnesota Cities

On Jan 6, 2023, at 8:26 PM, Christina Regas
<Christina.Regas@blackduckmn.com> wrote:

Gary thank you for the late email. I am a little confused.
Does any of this news assist our city with 'starting our LOST process over'?
I am proposing new resolutions approval to our city council on Monday January 9
with updated project amounts.
Or will these hearings only affect the costs of our projects?

Christina Regas
City of Blackduck

Sent from my iPhone

On Jan 6, 2023, at 8:02 PM, Carlson, Gary <gcarlson@lmc.org>
wrote:

[EXTERNAL]

All,

Late this afternoon (Friday, Jan 6), the Senate Tax Committee posted two hearings for next Tuesday and Wednesday on provisions that were left on the table at the

end of the 2022 legislative session. Those provisions include the local sales tax authorizations or adjustments to 2021 authorizations that your cities were seeking. For those of you seeking adjustments to your 2021 authorizations, the adjustment mechanism in Section 31 of the third document linked below no longer works because you all held your referendum last November and may not have been sufficient with the \$3 million limitation.

We have not talked to the Senate Tax Chair Ann Rest since the meetings were posted but it appears that they are interested in dusting off last year's agreement that was negotiated with the House. We are meeting with Senator Rest on Monday so we will have a better idea of the committee's plan.

In the meantime, below are links to the committee hearing agendas. Note that the Wednesday hearing includes public testimony on the contents of the agreement and a note that testifiers will have 3-4 minutes to comment and a note about a to-be-posted Zoom for the public. If you are interested in testifying, the committee administrator is Mitch Berggren and you can reach him at mitch.berggren@senate.mn. Note that testifiers will be sent a separate Zoom link to join the meeting and testify.

Tuesday overview hearing:

https://www.leg.mn.gov/cal?type=single&mtgid=s_17328&d1=01/10/2023

Wednesday testimony hearing:

https://www.leg.mn.gov/cal?type=single&mtgid=s_17329&d1=01/11/2023

Link to the materials related to the local sales tax provisions in the 2022 conference committee agreement:

https://www.senate.mn/conference_committee/2021-2022/1520_Conference_Committee_on_H.F._3669/TAXCC-LOCALTAX.pdf

If you have questions, you can reach us at:

Gary Carlson gcarlson@lmc.org

Alex Hassel ahassel@lmc.org

Nathan Jesson njesson@lmc.org



Minnesota Senate Tax Committee

Thursday, January 10th, 2023

8:30 a.m.

Room G-15

Chair

Ann Rest
328-330 Capitol
St. Paul, MN 55155
(651) 296-5650
sen.ann.rest@senate.mn

Vice Chair

Matt Klein

Ranking Minority Member

Bill Weber

Members

Scott Dibble
Steve Draskowski
Kari Dziedzic
Grant Hauschild
Jeremy Miller
Carla Nelson
Aric Putnam

Committee Staff:

Committee Administrator

Mitch Berggren
(651) 296-5540
mitch.berggren@senate.mn

Committee Legislative Assistant

Christie Blood
(651) 296-2889
christie.blood@senate.mn

Caucus Research

Krista Broton (DFL)
Daniel Mickelberg (R)

Senate Counsel

Nora Pollock
Eric Silvia

Legislative Analyst

Bjorn Arneson

Fiscal Analyst

Casey Muhm

Agenda

1. Call to Order
2. Adoption of minutes from 1/5/2023
3. Presentation by Senate Council, Research, and Fiscal Analysis on the Chair Memo to the Tax Committee on major provisions adopted by the Conference Committee on HF3669, the proposed 2022 omnibus tax bill.
4. Announcements
5. Adjournment

Tax Committee Chair
Senator Ann H. Rest
Minnesota District 43
Minnesota State Capitol
Suite 328-330
St. Paul, Minnesota 55155



Minnesota State Senate

To: Members of the Senate Taxes Committee

Re: Summary of major provisions adopted by the Conference Committee on HF 3669, the proposed 2022 omnibus tax bill

Article 2 – Income, Corporate Franchise, and Estate Taxes

- K-12 Education Tax Credit: Phaseout \$70,000 FAGI and indexed
- Child & Dependent Care Tax Credit: increased credit and income phaseout
- Angel Tax Credit: allocation increase to \$7 million for 2022 only
- Reduce 1st bracket rate to 5.1% (from 5.35%)
- New Markets Tax Credit
- Historic Structure Rehabilitation Credit (repeal sunset)
- Pass-Through Entity (PTE) Tax; various modifications
- Beginning Farmer and Owner of Agricultural Assets Credits; modifications to eligibility and reporting requirements.
- Portability of deceased spouse unused exclusion for estate tax

Article 3 – Sales and Use Taxes

- Various exemptions for construction materials: Duluth ISD 709; Ely ISD 696; misc. other school buildings projects
- Construction materials exemptions: North Metro Regional Public Safety Training Facility; City of Wayzata various projects; MSP airport;
- Exemption for suite license food and beverages; amenities included with admission
- Exemption for nonprofit animal shelters
- Exemption for polar vortex-related natural gas charges

Article 4 – Property Taxes

- Education provisions; intermediate districts, local optional revenue; facility lease expenses
- Exemptions; modified existing tribal-owned property exemption; modified existing exemption for certain airport property; established exemption for parcel-specific elderly living facility; established exemption for energy storage systems
- Established affordable housing market value exclusion program
- Agricultural properties; increased first-tier valuation limit for agricultural homestead properties; expanded definition of qualified relative; added hemp to definition of 'agricultural product.'
- Community land trust property; reclassified as Class 4d(1) with .75 class rate

- Homestead market value exclusion; increased value thresholds and maximum exclusion
- Class 4d; required municipal approval, lowered class rate; required report
- Class 1c homestead resorts; modified tier-limits
- Disabled veterans homestead exclusion; changed application window for certain widows
- Cooperative electric associations; modified definition of ‘attachment and appurtenances’
- State general levy; reduced levy for both commercial and seasonal rec properties
- Senior citizen property tax deferral program; lowered maximum household income & shortened residency and occupancy requirements
- Interest rate; eliminated minimum on interest rates for delinquent property taxes & confessions of judgment
- Manufactured home parks; consolidated property classifications

Article 5 – Property Tax Aids and Credits

- Local Government Aid appropriation increase; \$30 million/year increase beginning Pay2023/FY2024; various aid penalty forgiveness provisions
- County Program Aid appropriation increase; \$30 million/year increase beginning Pay2023/FY2024
- PILT payment increase and inflation-indexed payment amounts; \$9.2 million/year increase beginning Pay2023/FY2024
- Electric Generation Transition Account; \$5.2 million one-time transfer to special revenue fund for future policy TBD
- Soil and Water Conservation District Aid; \$6 million/year new funding beginning Pay2023/FY2024
- Community Career Workforce Grants; \$24 million in FY2023 only

Article 6 – Tax Increment Financing

- State Auditor policy & technical changes
- Authorized special laws for the following cities: Fridley, Plymouth, Shakopee, Woodbury

Article 7 – Local Sales Taxes

- Various clarifying and policy changes to LST approval and enactment requirements
- Authorized the following cities to impose, extend, or modify local sales taxes, subject to voter approval: Rochester; Marshall; Edina; Moorhead; Oakdale; Waite Park; Warren; Aitkin; Blackduck; Bloomington; Brooklyn Center; East Grand Forks; Golden Valley; Henderson; Proctor; Rice County; Roseville; and Winona County
- Enacted/modified lodging tax authority for Cook County; Plymouth; Lake of the Woods County
- Temporary authority for increase in bonding authorization for pandemic-related construction costs for projects authorized in 2021

Article 8 – Renter’s Tax Credit

- Renters Refundable Income Tax Credit replaces Renters Credit

Article 9 – Public Finance

- Extended, from 10 to 20 years, the duration limit for certificates of indebtedness and capital notes issued by cities, counties, towns, and school districts.

Article 10 - Miscellaneous; selected major provisions, general fund changes

- Modifications to Tax Expenditure Review Commission provisions
- Struck \$50 payment requirement for entering into a tax payment agreement with DOR; modified time period in which collection action may be taken for certain underpayments of individual income taxes, including related penalties and fees
- Modified withholding requirements for certain retirement plan distributions
- Homestead Credit Refund increase; ~\$36 million/year beginning FY2024
- Homestead Market Value Exclusion threshold increase; PTR interaction -\$7.3 million/year beginning FY2025
- School district local optional revenue equalization increase; ~\$24 million/year in FY2024 and increasing in later years
- Combined net receipts tax reduction; reduce first tier rate from 9% to 5% and corresponding bracket modification; \$6.8 million/year in FY2024 and later
- Housing Development Fund, Workforce & Affordable Homeownership account; \$7.5 million/year in FY2023 and later
- Polar vortex energy rebate grants; \$14.7 million in FY2023 only
- County pandemic rental assistance payments; \$20 million in FY2023 only

Articles 11-14 – DOR Policy and Technical provisions

- Article 11 (Partnership Taxes): same as introduced
- Article 12 (Sales and Use Taxes and Special Taxes): same as amended in Committee (two sections deleted)
- Article 13 (Fire and Police State Aids): same as introduced
- Article 14 (Miscellaneous Tax Provisions): same as introduced, except that provision relating to taxpayer identification numbers and e-filed certificates of rent paid was carried in Article 8

Sincerely,



Tax Committee Chair Ann H. Rest
Minnesota State Senator, District 43

3515 Hillsboro Ave. N.
New Hope, MN 55427
(612) 750-5425
annr@senate.mn



Minnesota Senate Tax Committee

Wednesday, January 11th, 2023

8:30 a.m.

Room G-15

Chair

Ann Rest
328-330 Capitol
St. Paul, MN 55155
(651) 296-5650
sen.ann.rest@senate.mn

Vice Chair

Matt Klein

Ranking Minority Member

Bill Weber

Members

Scott Dibble
Steve Drazkowski
Kari Dziedzic
Grant Hauschild
Jeremy Miller
Carla Nelson
Aric Putnam

Committee Staff:

Committee Administrator

Mitch Berggren
(651) 296-5540
mitch.berggren@senate.mn

Committee Legislative Assistant

Christie Blood
(651) 296-2889
christie.blood@senate.mn

Caucus Research

Krista Broton (DFL)
Daniel Mickelberg (R)

Senate Counsel

Nora Pollock
Eric Silvia

Legislative Analyst

Bjorn Arneson

Fiscal Analyst

Casey Muhm

Agenda

1. Call to Order
2. Adoption of minutes from 1/10/2023
3. Public testimony on the Chair Memo to the Tax Committee on major provisions adopted by the Conference Committee on HF3669, the proposed 2022 omnibus tax bill.
4. Announcements
5. Adjournment

JAN 06 2023



701 Minnesota Ave NW Suite 130 Bemidji, MN 56601
Phone 218.333.4113 Fax 218.333.8427

January 3, 2023

Christina Regas
PO Box 380
Blackduck, MN 56630

Greetings,

We are writing to notify you of the Local Board of Appeal and Equalization Meeting that is scheduled for the City of Blackduck on Tuesday May 2nd at 1:00 pm at City Hall. Please make sure someone is there to open the building. Let us know if this date/time does not work for you by February 15th, 2023 to reschedule.

Please feel free to contact my office with any questions.

Sincerely,

Travis Else
Assessment Specialist
Travis.else@co.beltrami.mn.us
218-333-4113