



AGENDA

Blackduck City Council Meeting

6:00 PM - Monday, August 8, 2022

City Hall, 8 Summit Drive, Blackduck MN

	Page
1. CALL TO ORDER	
a. Call to Order	
b. Pledge of Allegiance	
2. APPROVAL OF AGENDA	
3. CONSENT AGENDA	
<i>All items listed under the Consent Agenda, unless removed from the Consent Agenda shall be approved by one Council motion.</i>	
a. July 11, 2022 Blackduck City Council Meeting Minutes Council - Jul 11 2022 - Minutes - Pdf	5 - 10
b. July 19, 2022 Blackduck Personnel Committee Meeting Minutes Minutes 07192022	11 - 12
c. July 20, 2022 Blackduck Planning Commission Meeting Minutes Minutes 07202022	13 - 14
d. July 21, 2022 Kitchigami Regional Library Board Meeting packet - includes minutes from June 2022 meeting 2022.0721 KRLS Board Packet	15 - 64
e. July 25, 2022 Blackduck City Council Work Session Meeting Minutes Council - Work Session - Jul 25 2022 - Minutes - Pdf	65 - 68
f. July 2022 Fund Balance Report July 2022 Fund Balance Report	69
g. July 2022 Bill Report July Bill Report	70 - 72
h. July 2022 General Fund Income Statement with department expenses July 2022 General Fund Income statement with department expenses	73
i. July 2022 Sewer Income Statement July 2022 Sewer Income Statement	74
j. July 2022 Water Income Statement July 2022 Water Income Statement	75
k. July 2022 Pine Tree Park Income Statement July 2022 Pine Tree Park Income Statement	76
l. July 2022 Golf Course Income Statement July 2022 Golf Course Income Statement	77 - 78
m. July 2022 Liquor Store Income Statement	79 - 80

[July 2022 Liquor Store income statements](#)

n.	Final Approval - July 2022 Business Credit Card(s) Payment Batch <u>July 2022 BC Payment</u>	81
o.	Final Approval - June 2022 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association <u>LG216 06-2022</u>	82
p.	Final Approval - First half 2022 Local Government Aid <u>LGA first half 2022</u>	83
q.	Final Approval - 2021 TIF Reports to OSA and Annual Disclosure of Tax Increment Districts for 2021 <u>2021 OSA Memo</u> <u>2021 Disclosure - Blackduck</u>	84 - 85
r.	Final Approval - FY 2022 Fund Statement Balance - Blackduck Trestle & Trails Fund - Northwest Minnesota Foundation <u>MWMNF Trestle</u>	86 - 87
s.	Final Approval - Survey Services Agreement - Northwestern Survey and City of Blackduck - Blackduck Cemetery <u>221018 City of Blackduck Cemetery Agreement</u>	88
t.	Final Approval - Satisfaction of Mortgage - Blackduck Family Foods/Fellows, LLC & City of Blackduck 2019 <u>satisfaction of mortgage BFF Fellows LLC</u>	89 - 114
u.	Final Approval - 2022-2023 Blackduck Co-op Pre-buy Propane Contract - City of Blackduck Departments <u>Blackduck Coop 22-23 Prebuy contract</u>	115 - 120
v.	Final Approval - Payment 2 - Dobmeier Excavating & Septic Service Plus Demolition Contract - City of Blackduck <u>Dobmeier Excavating payment 2</u>	121 - 123
w.	Final Approval - Public Works / Public Safety Facility pay request #4 to TNT Construction - <u>BlackduckPayrequest#4(8-4-22)</u>	124 - 128
x.	Final Approval - Field Report & Progress Meeting #4 - Public Works / Public Safety Facility - July 28, 2022 <u>2022-07-28 Field Report #4</u> <u>2022-07-28 Progress Meeting #4 Minutes</u>	129 - 135

4. 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.

5. REPORTS OF COMMITTEES AND CITY STAFF

- 5.1. Public Works Report - Mike Schwanke, Public Works Director
- 5.2. Liquor Store Report - Shawnda Lahr, Director of Liquor Operations
- 5.3. Fire Department Report - Brian Larson, Fire Chief

- a. August 18, 2022 @ 6pm - Blackduck Fire Department Protection Area Annual Budget Meeting - Blackduck City Hall
- 5.4. Golf Course Report - Misty Frenzel, Golf Course Director
- 5.5. Library Report - Kelly Hanks, Head Librarian
- 6. ADMINISTRATOR'S REPORT
 - a. Approval Needed - Resolution 2022-17 - Resolution approving state of Minnesota joint powers agreements with the City of Blackduck, Minnesota on behalf of its City Attorney and Police Department 136 - 153
[2022-17 Resolution approving state of MN joint powers agreements with the COB on behalf of its city attorney and PD](#)
[CJDN Agreement signed COB](#)
[State of MN JP Agreement signed COB](#)
 - b. Council Consideration & Approval Needed - Revision - Letter of Intent - City of Blackduck and Deerwood Bank - Notes from City Attorney 154 - 161
[RE Intent to purchase property](#)
[Revised letter of intent](#)
[Library Proposal revised](#)
 - c. August 10, 2022 @ 11am - Blackduck Development Corp Meeting - Blackduck City Hall
 - d. August 12 & 25, 2022 @ 10:30am - Blackduck Public Works / Public Safety Facility Construction Meetings - City Hall - **NOTE UPDATED DATE**
 - e. August 11 & 25, 2022 @ 2pm - 2023 Budget Finance Committee Meetings - City Hall
 - f. August 18, 2022 @ 9:30am - Blackduck Ambulance Board Meeting - Blackduck City Hall
 - g. August 22, 2022 6pm - Public Hearing Blackduck City Council - City of Blackduck Land Combination Request
 - h. August 22, 2022 @6pm - Blackduck City Council Work Session
 - i. September 5, 2022 - Blackduck City offices closed in observance of Labor Day
 - j. **TUESDAY**, September 6, 2022 @ 6pm - Blackduck City Council Meeting
- 7. 2022 ELECTION HIGHLIGHTS
 - a. August 2 - August 16, 2022 - Local City Elected Official filing period for 2022 General Election
 - b. August 9, 2022 - Minnesota State Primary Election - Blackduck Prescient Polls open 7am - 8pm
 - c. September 23, 2022 - Absentee ballots available for Minnesota state General Election
 - d. October 18, 2022 - Voter pre-registration closed for MN General Election
 - e. November 1, 2022 - Blackduck Prescient Healthcare Facility Absentee Voting
 - f. November 8, 2022 - Minnesota State General Election - Blackduck prescient polls open 7am - 8pm

- g. November 14, 2022 - November General Election Canvassing results
Blackduck
- 8. MAYOR AND/OR COUNCIL MEMBER REPORTS
- 9. COMMUNITY EVENTS/GOOD THINGS HAPPENING
 - a. August 20, 2022 - Blackduck Backwoods Bash
 - b. August 21, 2022 - Blackduck Drakes Scramble - Blackduck Golf Course
 - c. August 26, 2022 - Blackduck Golf Course Grill n' Chill
 - d. September 7, 2022 - Blackduck Chamber After-hours Meet up - Liquor Lodge
- 10. ADJOURNMENT



MINUTES

Council Meeting

6:00 PM - Monday, July 11, 2022

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, July 11, 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 Nicholas Seitz, Councilor Laurie Hamilton, and Council member Ronald Fredrickson

COUNCILORS EXCUSED: Councilor Donald Johnson

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

OTHERS PRESENT:

1. CALL TO ORDER

- a. Roll Call
Roll call was taken of those present to the meeting.
- b. Pledge of Allegiance
Mayor Gullette led the meeting in the pledge of allegiance.

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
Nicholas Seitz	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. June 6, 2022 Blackduck City Council Meeting Minutes
- b. June 15, 2022 Blackduck Planning Commission Meeting Minutes
- c. June 23, 2022 Kitchigami Regional Library Board Meeting Agenda - includes Minutes from May 2022 meeting
- d. June 27, 2022 Blackduck City Council Work Session Minutes

- e. June 2022 Fund Balance Report
- f. June 2022 Bill Report
- g. General Fund Income Statement - 2022 Mid Year through June
- h. June 2022 Sewer Income Statement
- i. June 2022 Water Income Statement
- j. June 2022 Pine Tree Park Income Statement
- k. June 2022 Golf Course Income Statement
- l. June 2022 Liquor Store Income Statement
- m. Final Approval - June 2022 Business Credit Card(s) Payment Batch
- n. Final Approval - June 2022 Property Tax Settlement
- o. Final Approval - May 2022 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- p. Final Approval - Municipal Secondary Market Disclosure Annual Report - Ehlers
- q. Final Approval - Revised City of Blackduck Zoning Map
- r. Final Approval - Department of Labor Mileage Reimbursement standard mileage rate increase for City of Blackduck
- s. Final Approval - Proposal for City of Blackduck Fire Department Chassis purchase RDO Truck Center - Deposit authorization \$10,000
- t. Final Approval - 2022 American Rescue Plan Fund (second and final payment)
- u. Final Approval - Agreement for Services Rampart Defense LLC and Blackduck Police Department - Body Camera Audit

Nicholas Seitz moved to approve the consent agenda as presented Laurie Hamilton seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Laurie Hamilton	For
Ronald Fredrickson	For

v.

4. **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 for the Blackduck Forum.

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

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

5.1.1. Report -

Schwanke reports the rain has been difficult to keep up with but his department is doing its best to keep up with erosion issues. Council Fredrickson asked if the reported well issues from the June Work Session have been addressed. Schwanke reports Thein Well has the City on the schedule but has not reported yet. Schwanke further stated the issues are being monitored. Mayor Gullette asked how the campground is fairing. Schwanke stated he is in a 'maintaining' pattern this summer. Schwanke plans to have grass added to the beach to help with erosion. Regas stated camping revenue is on track with 2021 and several reservations have been made. Mayor Gullette stated he has received compliments on the campground from the public and campers. Nothing further.

5.2. LIQUOR STORE REPORT - SHAWNDA LAHR, DIRECTOR OF LIQUOR OPERATIONS

5.2.1. Council Consideration - Liquor Rent Fund Transfer to Liquor Operating Fund

Lahr reported to the council several reasons for the liquor fund being low in cash. Lahr reported the department is at the halfway part of the first year with the new addition; the department has increased revenue and expenditures. Lahr stated when the budget for 2022 was created she and Regas were optimistic the department would be in a better state at this point in the year. Lahr stated the bulk of sales of liquor are down due to weather patterns from January into May compared to projected and 2021. Lahr further stated the 'cushion' of cash balances in the 609 fund have been depleted due in part to the project construction City contribution of cash to lower interest rates on the bond and to complete the project. Lahr stated that between the economy changes with fuel prices and the amount of disposable income are evident in retail sales. Lahr stated she and Regas are looking for ways to 'cut the fat' and the first way is to reduce operating is to reduce payroll. Lahr stated the new business model provides the department with three (3) entities to staff; however, reducing overlap, and having good trained staff is important to the business. Lahr stated how important it is to her to have a good experience to the customer. Lahr stated she can reduce hours of operation on Sundays to assist reducing payroll. Lahr stated the Sunday operating hours would be 11-7pm or 11-6pm - Lahr stated her hesitation because of the availability of places to eat after 5pm in Blackduck on Sundays is next to nothing. Regas stated she does want to try to make the business model on the new staffing go the full year and does not wish to lay staff off to save costs. Lahr stated she does not to lay off employees either. Regas stated operating budget for 5 full-time benefited employees is higher. Regas stated that June is typically when the liquor department turns a profit on the gross margin since it starts out each year with a high ownership of inventory. Lahr stated the department starts the calendar year 'upside down'. Lahr further stated that the second half of the year is the largest sales timeframe. Lahr further referred to the on-sale business being up for the year in 2022. Regas points out how the operating and inventory costs are in-line with previous years but due to the payroll costs being higher than previous years the cash is being used up sooner.

Regas stated that a long term solution will need to be discussed and recommends the Personnel Committee meet and does Lahr. Regas stated the addition of 3 benefited employees and paid holidays increases the budget. Lahr proposes she reduces the overlapping shifts for the departments; reduce the hours of operation on Sundays; hold a personnel committee meeting to further review options on costs savings; and request the council approve a transfer \$10,000 from the liquor rent fund into the liquor operating fund. Regas reports to the city council the liquor rent fund although in a 'reserve' account affects the 609 (liquor) Profit and loss statement. Regas further

states how increased donations not budgeted affect the P&L of the liquor fund. Regas stated there is no policy governing the use of the liquor rent fund. Lahr reported when the liquor rent started coming in from gambling the department was provided to the staff as a 'bonus' for selling pull-tabs. Mayor Gullette requested a formal motion to approve the council request for the transfer of funds. Gullette agrees with the transfer but only sees it as a temporary fix and strongly recommends the personnel committee review the long-term affects of the staffing.

Lahr asked for specific topics the council wishes to have reviewed at the personnel committee. Mayor Gullette asked for the committee to consider if the department needs 5 full-time benefited employees. Lahr stated she believes the payroll issue only makes up 25% of the problem. Lahr further stated there is only 2 ways to reduce your payroll; work with less people and work less hours. Regas stated she would work to line-up the committee to meet to report at the next work session.

Laurie Hamilton moved to transfer \$10,000 from the liquor rent fund to the liquor operating fund
Nicholas Seitz seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Laurie Hamilton	For
Ronald Fredrickson	For

5.3. GOLF COURSE REPORT - MISTY FRENZEL, GOLF COURSE DIRECTOR

5.3.1. Council Review - Golf Course Revenue to Expenditure 6 year comparison 2017-2022 & Report -

Regas reviewed a 6-year comparison of sales and expenses for the golf course with the council. Schwanke provided a report on the irrigation system that most issues have been worked out except for a system fault that repeats. Mayor Gullette asked about the parking lot washouts. Schwanke stated it is hard to control with the slope of the lot and the rains but the course is being roped off in areas that get too much water. Regas stated Frenzel is pleased with the time saved for the course maintenance with the use of the new rough mower. Nothing further.

5.4. LIBRARY REPORT - KELLY HANKS, HEAD LIBRARIAN

5.4.1. Councilor Hamilton did not have a report to provide.

6. ADMINISTRATOR'S REPORT

a. Approval Needed - Resolution 2022-01 Revision 03 - Resolution of annual appointments and designations for 2022

Laurie Hamilton moved to approve Resolution 2022-01 Revision 03 as presented Ronald Fredrickson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Laurie Hamilton	For
Ronald Fredrickson	For

- b. Approval Needed - Resolution 2022-02 - Revision 01 - Resolution appointing election judges for the 2022 State Primary, State General, and Municipal elections

Laurie Hamilton moved to approve Resolution 2022-02 - Revision 01 as presented Nicholas Seitz seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Laurie Hamilton	For
Ronald Fredrickson	For

- c. Approval Needed - Resolution 2022-16 - Resolution approving an excluded bingo license for the Blackduck Area Chamber of Commerce

Laurie Hamilton moved to approve Resolution 2022-16 - Resolution approving an excluded bingo license for the Blackduck Area Chamber of Commerce Ronald Fredrickson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Laurie Hamilton	For
Ronald Fredrickson	For

- d. July 13, 2022 @ 11am - Blackduck Development Corporation Meeting - Blackduck City Hall
- e. July 20, 2022 @ 2pm - Blackduck Planning Commission Meeting - City Hall
- f. July 21, 2022 @ 9:30am - Blackduck Ambulance Board Meeting - City Hall
- g. July 25, 2022 @ 6PM - Blackduck City Council Work Session - City Hall
- h. August 8, 2022 @ 6pm - Blackduck City Council Regular Meeting - City Hall

7. 2022 ELECTION HIGHLIGHTS

- a. June 24 - August 8, 2022 Minnesota State Primary Absentee Voting
- b. July 21, 2022 @ 10am & 6pm - Beltrami County Election Judge Training - Beltrami County Administration Bldg.
- c. ~~August~~ July 19, 2022 @ 5pm - Primary Election Voter Registration Closing
- d. August 2 - August 16, 2022 - Local City Elected Official filing period for 2022 General Election
- e. August 9, 2022 - Minnesota State Primary Election

8. MAYOR AND/OR COUNCIL MEMBER REPORTS

9. COMMUNITY EVENTS/GOOD THINGS HAPPENING

- a. July 20, 2022 @ 12pm - Blackduck Area Chamber of Commerce - Blackduck Golf Course
- b. July 30, 2022 - Blackduck Woodcarvers Festival - Blackduck Wayside Rest Park

10. ADJOURNMENT

- a.

Laurie Hamilton moved to adjourn the regular meeting at 7:00pm Ronald Fredrickson seconded the motion.

Carried 4 to 0

Maxwell Gullette	For
Nicholas Seitz	For
Laurie Hamilton	For
Ronald Fredrickson	For

City Administrator, Christina Regas

Maxwell Gullette, Mayor



BLACKDUCK PERSONNEL COMMITTEE

TUESDAY, JULY 19, 2022 @ 2PM

MEETING MINUTES

CALL TO ORDER: The City of Blackduck Personnel Committee met in a scheduled meeting at the City Hall at 2:00pm on July 19, 2022.

Roll Call

Committee Members present: Public Works Director Mike Schwanke, Councilor Donald Johnson, Director of Liquor Operations Shawnda Lahr, and City Administrator Christina Regas

Committee Members Absent: none

The meeting was called to order at 2:00pm the Pledge of Allegiance was not recited. Topics covered in the personnel meeting were as follows:

OLD BUSINESS:

1. Hiring Process Update for:
 - a. Police Chief – Regas reported receiving no new applications for this position.

NEW BUSINESS:

1. 2022 Liquor Store department(s) payroll budget – Committee members discussed YTD wages expenses to budget & potential options for reducing expenses for the liquor store. Members discussed in detail staffing and shifts in each department of the liquor store and the hours needed to run the respective departments. Regas reported to the committee the total number of hours worked vs. budgeted and how the department was overspent hours YTD without the vacation use of 2 full-time employees. Lahr reported and was confident the department could cut shifts in several areas and move start times of shift to reduce operating hours and not affect the customer experience. After much discussion the committee strongly agreed that the three departments could reduce hours to assist with payroll spending. Committee members agreed to continue to keep pace with the current full-time staffing although it is an additional payroll expense; and revisit where the budget and spending is after August. Committee members will report to the City Council at the July work session the following:
 - a. **Liquor Store will reduce 50 scheduled hours per week in August.**
 - b. **Liquor Store will change shifts to accommodate the reduction in hours.**
 - c. **Committee will meet 2nd week in September to review payroll expenses after August. Date still to be set.**
2. LMCIT WC Claim 460782 – Jace Grangruth v. City of Blackduck – Regas reported a recent claim against the City of Blackduck for workers compensation and stated the LMCIT has assigned legal representation to defend the case. Nothing further at this time.
3. LMC WC 472268 – Chris Brown – Schwanke reported on the status of Brown and potential return-to-work date on light-duty if allowed by surgeon. Schwanke stated that decision would not be reported until after July 29, 2022. Nothing further at this time.
4. No other new business discussed.



BLACKDUCK PERSONNEL COMMITTEE

TUESDAY, JULY 19, 2022 @ 2PM

MEETING MINUTES

ADJOURN – Committee adjourned their meeting at 3:45pm.

Christina Regas, City Administrator

Maxwell Gullette, Mayor



BLACKDUCK PLANNING MEETING

Regular Planning Meeting

Blackduck City Hall

July 20, 2022 @ 2pm.

CALL TO ORDER: Commissioner Cease called the meeting to order @ 2:05pm.

ROLL CALL:

Commissioners present: John Wilson Winnett, Ron Rockis and Ernie Tindell

Commissioners Absent: none

Staff Present: City Administrator Christina Regas

Others Present: Mayor Gullette

Approval of Minutes – Moved by Commissioner Tindell and seconded by Commissioner Winnett to approve the minutes from June 15, 2022. Motion carried unanimously.

Old Business

1. Planning Commission Vacancy – no updated at this time. Commissioner Cease asked the board members to keep the vacancy on their radar.
2. Permits Issued since last meeting: Regas reviewed the details of the following permits and requested final approval from the board.
 - a. Permit 2022-05 - Renda the Roofer – 248 Main Street S. – re-roof of existing single-family home.
 - b. Permit 2022-06 – Glen Schuman – 409 4th Street NE – Utility Shed
3. Annexing City owned Property – Regas provided updates on the process. Nothing further.

New Business –

1. Potential future items of business –
 - a. Parcel Combination of Main Street Redevelopment property –
 - i. Acquisition of PIN #81.00121.00 – Regas reported proposing interest in acquiring an additional parcel behind #81.00120.00 to provide more develop space for future building space. Regas has requested consideration from current parcel owner but has not heard back. Regas requested the Planning Board call a public hearing for the combination of the three (3) existing parcels for future resale. Board members agreed to August 22, 2022. Regas will provide board and city council insight to the potential acquisition of 81.00121.00 prior to sending out notices to the public. Nothing further.
2. Other new business –
 - a. Future building permit applications –
 - i. Blackduck School Trades Building – Regas reported the new school construction permit application will be submitted for approval at the August planning meeting. Construction is scheduled to begin August 29, 2022.
 - ii. MMCDC Single-family homes – Regas reported MMCDC (Detroit Lakes) will be submitting permit applications in 2023 for construction of 2 single-family homes on property owned on Main Street North.
 - b. Next meeting date – Regas reports the next meeting is scheduled for August 17, 2022.



BLACKDUCK PLANNING MEETING

Regular Planning Meeting

Blackduck City Hall

July 20, 2022 @ 2pm.

ADJOURN THE PLANNING MEETING – Moved by Commissioner Tindell and seconded by Commissioner Rockis to adjourn the planning meeting at 2:23pm. Motion carried unanimously.

Christina Regas, City Administrator

Kurt Cease, Chairperson

Kitchigami Regional Library
Board Meeting July 21, 2022 6:00pm
Kitchigami Regional Headquarters Building, Pine River, MN

A G E N D A

1. Call to order
2. Pledge of Allegiance
3. Approval of Agenda
4. Consent Agenda
 - a. Minutes: June 2022, pg 3
 - b. Bills: July 8, 2022, pg 5
 - c. Financial Statements: June 2022, pg 6
 - d. ACHF FY21 FRF April – June 2022, pg 9
 - e. Director's Report, pg 12
5. Old Business
 - a. 2023 Operating Budgets: Cities, Counties, Outreach, pg 15
 - b. Other
 - c. Public Input
6. New Business
 - a. RLBS Application: State FY2023, pg 31
 - b. ACHF Application: State FY2023, pg 38
 - c. Other
 - d. Public Input
7. Chair's Report
8. Adjournment

Please contact Carol Christensen at 218-587-2171 x 224 or christensenc@krls.org with your attendance preference, or if you are unable to attend.

FUTURE BOARD MEETINGS

Thursday September 15, 2022

Thursday November 17, 2022

Thursday January 19, 2023

Thursday March 16, 2023

Thursday May 18, 2023

2022 Kitchigami Regional Library Board Members (revised 4/21/22)

KRLS Director Melissa Whatley (whatleym@krls.org)

BELTRAMI COUNTY

Reed Olson (County Commissioner)

Ph: 218-766-0383

E: reed.olson@co.beltrami.mn.us

Alternate: Richard D. Anderson (County Commissioner)

Ph: 218-766-3283; E: Richard@paulbunyan.net

CASS COUNTY

Scott Bruns (County Commissioner)

Ph: 218-820-6545; E: scott.bruns@co.cass.mn.us

CROW WING COUNTY

Bill Brekken (County Commissioner)

Ph: 218-232-0257; E: bill.brekken@crowwing.us

Alternate: Steve Barrows (County Commissioner)

Ph: 218-820-8199; E: steve.barrows@crowwing.us

HUBBARD COUNTY

Tom Krueger (County Commissioner)

Ph: 218-616-4069; E: tkrueger@co.hubbard.mn.us

Alternate: Charlene Christenson (County Commissioner)

Ph: 218-616-2181; E: cchristenson@co.hubbard.mn.us

WADENA COUNTY

Murlyn Kreklau (County Commissioner)

Ph: 218-837-5352

E: murlyn.kreklau@co.wadena.mn.us

Alternate: Sheldon Monson (County Commissioner)

Ph: 218-640-3278

E: Sheldon.monson@co.wadena.mn.us

CITY OF BEMIDJI

Lynn Eaton

Ph: 218-766-4722; E: lynn.eaton@ci.bemidji.mn.us

Alternate: Jorge Prince

Ph: 218-407-7312; E: jorge.prince@ci.bemidji.mn.us

CITY OF BLACKDUCK

Laurie Hamilton

Ph: 218-760-9320;

E: laurie.hamilton@blackduckmn.com

CITY OF BRAINERD

Mary Koep

Ph: 218-829-9793; E: marywaltk@icloud.com

CITY OF CASS LAKE

Mike Hanson

Ph: 218-547-1121; E: casslakecouncil5@gmail.com

CITY OF LONGVILLE

Phyllis Eck

Ph: 218-539-0354; E: 1849pe@gmail.com

Alternate: Neil Tobiason

Ph: 218-363-2022

CITY OF PARK RAPIDS

Thomas Conway

Ph: 218-390-5748; E: tom.conway@lambweston.com

CITY OF PINE RIVER

Brent Norman

Ph: 218-536-0668; E: nscleaners@gmail.com

CITY OF WADENA

George Deiss

Ph: 218-639-2097; E: gdeiss@wadena.org

Alternate: Wade Miller

Ph: 218-631-6060; E: wademille@arvig.net

CITY OF WALKER

Mary Beth Hansen

Ph: 218-828-9861; E: mbhansen@ci.walker.mn.us

2022 KITCHIGAMI REGIONAL LIBRARY BOARD COMMITTEES

(Revised 3/17/2022)

Board Officers

Chair	Tom Conway
Vice-Chair	Tom Krueger
Treasurer	George Deiss
Secretary	Bill Brekken

BUDGET COMMITTEE

Tom Conway, Chair
Reed Olson
Murlyn Kreklau
Bill Brekken
Tom Krueger
Scott Bruns

PERSONNEL COMMITTEE

Tom Conway, Chair
Tom Krueger
Reed Olson
Non-voting staff members:
Carrie Huston
Jodi Schultz
Sheri Brumback
Tami Beto
Terria Rohloff
Laurel Hall
Megan Lysford

UNION NEGOTIATION COMMITTEE

Tom Conway, Chair
Reed Olson
Neal Gaalswyk

AUDIT COMMITTEE

Tom Conway, Chair
George Deiss, Treasurer

OUTREACH COMMITTEE

Committee of the Whole
Non-voting staff members:
Val McCormic
KRLS Director

STRATEGIC PLANNING / POLICY COMMITTEE

Tom Conway, Chair
Brent Norman
Mary Koep
Murlyn Kreklau
Non-voting staff members:
Carrie Huston
Jodi Schultz
Sheri Brumback
Tami Beto
Megan Lysford
Terria Rohloff
Laurel Hall

INTERNET / ELECTRONIC RESOURCES COMMITTEE

Tom Conway, Chair
Bill Brekken
Reed Olson
Non-voting staff members:
Megan Lysford
Renee Frethem
Leann Willenbring
Sheri Brumback

EXTERNAL BOARDS

NORTHERN LIGHTS LIBRARY NETWORK

Governing Board Members:

Delegates: Reed Olson
George Deiss

NWLlinks

Delegate: KRLS Director

**Kitchigami Regional Library System
Board Meeting June 23, 2022 6:00 p.m.
Kitchigami Headquarters Building, Pine River, MN**

Board members present: Scott Bruns, Bill Brekken, Tom Krueger, Murlyn Kreklau, Mary Koep, Neil Tobiason, Brent Norman, George Deiss

Board members present virtually: Reed Olson (Bemidji, MN), Laurie Hamilton (Blackduck, MN)

Board members absent: Mike Hanson, Lynn Eaton, Tom Conway, Mary Beth Hanson

Others present non-voting: Staff members: KRLS Director Melissa Whatley, Carol Christensen, Tami Beto, Terria Rohloff, Mary Beth Durham, Kelly Hanks
Other: Christina Regas, Mary Salmonson, Miriam Osborn

Acting Chair Tom Krueger called the meeting to order at 6:00 p.m. and requested participation in reciting the Pledge of Allegiance.

Approval of Agenda Requested additions to the agenda were June 24, 2022 bills and payroll checks for approval; and Deerwood Technologies network infrastructure proposal for Park Rapids Area Library for approval.
Motion by Bill Brekken, seconded by Murlyn Kreklau, to approve the agenda with requested changes. Motion carried unanimously.

Consent Agenda Item B Bills: May 10-June 10, 2022 was requested to be pulled from the consent agenda. Director Whatley gave the board a summary of her Director's report. **Motion by George Deiss, seconded by Scott Bruns, to approve items A, C, and D on the Consent Agenda:**
a. Minutes: May 2022
c. Financial Statements: May 2022
d. Director's Report
Motion carried unanimously.

Bills: May 10-June 10, 2022 Director Whatley clarified check #'s 23535 Junior Library Guild, 23536 Midwest Tape, and 23616 Regents of the UofM expenses. **Motion by Brent Norman, seconded by Bill Brekken, to approve May 10-June 10, 2022 bills checks #23516 to #23620 and payroll checks #44901 to #45114. Motion carried unanimously.**

Motion by George Deiss, seconded by Murlyn Kreklau, to approve June 24, 2022 bills checks #23621 to #23655 and payroll checks #45117 to #45190. Roll call vote: Motion carried unanimously.

2023 Operating Budgets: 1st Draft Cities and Counties Acting Chair Krueger gave the Board an overview of the Finance Committee's budget proposal for a 3% increase across the board for cities and counties. Director Whatley noted contributions from the KRLS general fund to maintain the 3% levy increases, which totals \$217,500. Discussion.

Blackduck Request: Letter of Support for Release of Capital Funds

City Administrator Christina Regas of Blackduck described the current opportunity to purchase a newer, larger facility to be used as the Blackduck Community Library. Blackduck Library Board Chair Miriam Osborn discussed needs in the community and surrounding areas. **Motion by Mary Koep, seconded by Bill Brekken, to approve the release of \$65,683 of capital funds earmarked for Blackduck once the requirements of the Capital Appropriation Policy are met. Motion carried unanimously.**

Investment Account to accept Donated Securities

Motion by George Deiss, seconded by Brent Norman, to approve opening an investment account on Blackduck Community Library's behalf to accept donated securities. Motion carried unanimously.

Deerwood Technology Proposal – Wadena

An updated proposal was made available to members. NW Links funds will be requested for reimbursement. **Motion by Murlyn Kreklau, seconded by Scott Bruns, to approve the proposal for network equipment at the new Wadena library building. Motion carried unanimously.**

Deerwood Technology Proposal – Park Rapids

Proposal was added to the agenda to take advantage of NW Links funds. Equipment is out of date and out of warranty. **Motion by George Deiss, seconded by Scott Bruns, to approve the proposal for network equipment at Park Rapids Area Library. Motion carried unanimously.**

Other

KRLS Board members thanked the City of Brainerd representative Mary Koep for her service to the board. Her last meeting will be July 2022.

KRLS Audit field work will be the week of July 11, 2022.

Motion by Bill Brekken, seconded by Brent Norman, to adjourn at 7:13 p.m. Motion carried unanimously.

Minutes respectively submitted by Administrative Assistant Carol Elizabeth Christensen.

Minutes signed by Board Secretary, Bill Brekken _____

Date _____

KITCHIGAMI REGIONAL LIBRARY SYSTEM
CHECK REGISTER
July 8, 2022

Check Number	Name	GL Account Title	Amount
23656	AMAZON CAPITAL SERVICES	LIBRARY SUPPLIES LONGVILLE	14.13
23657	ARVIG	PHONES, LG,WK,CL & WD	169.98
23658	BREKKEN, BILL	KRL BOARD MEETING	24.57
23659	CANON FINANCIAL SERVICES	COPIER CONTRACT/LEASE	93.61
23660	CENTURY LINK	PHONES, WK, BJ, & BR	350.45
23661	CITY OF PINE RIVER	HQ WATER	29.50
23662	DEERWOK TECHNOLOGIES, INC	NETWORK SUPPORT & INFRASTRUCTURE	53,278.02
23663	DEISS, GEORGE	KRL BOARD MEETING	63.18
23664	DELICH, TRUDY	LEGACY FUND EXPENSE	730.00
23665	DRESOW, STACY	LEGACY FUND EXPENSE	845.00
23666	D S ERICKSON	GARNISHMENT PAYABLE	514.28
23667	GALE, CENGAGE LEARNING INC	BOOKS REGION WIDE	2,817.73
23668	GARDINER'S HARDWARE	OFFICE SUPPLIES	11.99
23669	HUSTON, CARRIE	SRP REIMBURSEMENT	70.35
23670	KENNEY, ALETHEA	LEGACY FUND EXPENSE	735.00
23671	KOEP, MARY	KRL BOARD MEETING	37.44
23672	KREKLAU, MURLYN	KRL BOARD MEETING	40.95
23673	KRUEGER, THOMAS	KRL BOARD MEETING	35.10
23674	MIDWEST TAPE	VIDEO/DVD/SOUND E-RESOURCES REGION	13,379.33
23675	MINNESOTA CLEANING SERVICE	BRAINERD CUSTODIAL	150.00
23676	MNPEIP	EMPLOYER PAID HEALTH INSURANCE	19,512.07
23677	MORKE, LINDA JOHNSON	LEGACY FUND EXPENSE	815.00
23678	NJK HEATING AND AIR	HQ BUILDING R&M	630.00
23679	OFFICE SHOP	COPIER CONTRACT/LEASE	189.55
23680	PAUL BUNYAN COMMUNICATIONS	PHONES, BJ & BK	36.52
23681	PITNEY BOWES	POSTAGE METER RENTAL, QTRLY	240.00
23682	PR SANITARY DISTRICT	HQ SEWER	84.00
23683	ROCHESTER TELECOM SYSTEMS	LONG DISTANCE REGION WIDE	400.18
23684	RODENBURG LAW FIRM	GARNISHMENT PAYABLE	110.00
23685	SCHMIDTKE, HEATHER	LEGACY FUND EXPENSE	650.00
23686	TOBIASON, NEIL	KRL BOARD MEETING	25.74
23687	VINNY'S AUTO	DELIVERY VAN R&M	496.71
23688	WASTE PARTNERS	HQ GARBAGE	83.14
23689	WHATLEY, MELISSA	DIRECTOR TRAVE	57.50
TOTAL A/P CHECK RUN			\$ 96,721.02

KITCHIGAMI REGIONAL LIBRARY SYSTEM
PAYROLL CHECKS
Payroll for June (16th-30th) 2022

Pay Day	Check Numbers	Account	Amount
7/8/2022	45191-45264	Direct Deposits	\$ 48,180.62
		Paper Checks	\$ 1,328.19
		Minnesota Withholding Tax	\$ 2,007.12
		Federal Withholding Tax	\$ 13,735.63
		Garnishments	\$ 624.28
		PERA-Public Employee Retirement Association	\$ 8,599.68
Total Payroll Expense			\$ 74,475.52

AMOUNT EXPENSED \$ 171,196.54

KITCHIGAMI REGIONAL LIBRARY
BALANCE SHEET
June 30, 2022

ASSETS		
Current Assets		
Petty Cash Checking PRSB	1,368.04	
Main Checking PRSB	511,762.75	
Money Market PRSB	4,462,467.88	
Special Money Market PRSB	685,535.19	
Kitchigami Endowment Fund	132,768.00	
Interest Receivable	4,616.67	
Covid Retention Receivable	(2,014.19)	
Prepaid Insurance	6,900.03	
Prepaid Health Insurance	14,600.28	
Prepaid Materials	69,449.35	
Investment - Certificates of Deposit	534,274.45	
TOTAL Current Assets		6,421,728.45
Fixed Assets		
Land	30,000.00	
Buildings	587,168.00	
A/D Buildings	(305,022.36)	
Vehicles	176,647.71	
A/D Vehicles	(129,107.32)	
Furniture, Fixtures, and Equipment	330,996.00	
A/D Furniture, Fixtures, and Equipment	(309,417.73)	
Legacy Equipment	1,269.00	
A/D Legacy Equipment	(1,269.00)	
Shared Collections	159,172.90	
Book, Mobile Library	284,164.91	
A/D Books	(287,135.82)	
Intangible Assets	19,916.00	
Accumulated Amortization	(9,958.33)	
Sound, Mobile Library	26,215.00	
Video, Mobile Library	94,113.86	
TOTAL Fixed Assets		667,752.82
TOTAL ASSETS		7,089,481.27
Current Liabilities		
Accounts Payable	50,382.95	
Accounts Payable Salaries	62,500.57	
Federal & FICA Withholding Payable	37,008.00	
PERA Life Insurance Withholding Payable	(104.00)	
Deferred Revenue	111,981.30	
TOTAL Current Liabilities		261,768.82
TOTAL LIABILITIES		261,768.82
CAPITAL		
Investment In Fixed Assets	672,414.15	
C/F Building Repair & Maintenance Reserve	40,967.53	
C/F Automation, HQ Reserve	477,002.34	
R/F ARR Branch Reserves	252,406.87	
C/F KRL Capital Fund, Branch Grants Reserve	1,160,969.00	
C/F Building Reserve	92,862.29	
C/F HQ Gift	277.00	
C/F Accounting Software Reserve	25,826.62	
C/F Summer Reading Program Reserve	34,143.97	
C/F Sue Tricker Memorial Outreach Reserve	114,056.27	
C/F Endowment MN Community Fund	132,768.00	
C/F Loan Security	31,427.00	
C/F Outreach Reserve	58,645.17	
C/F Vehicle Reserve	132,401.40	
C/F Gates Grants Reserve	19,819.47	
C/F Crow Wing County Reserve	121,381.85	
R/F RLTS Reserve	103,779.08	
FUND BALANCE, General Funds	3,529,239.76	
Year-to-Date Earnings	(172,675.32)	
TOTAL CAPITAL		6,827,712.45
TOTAL LIABILITIES & CAPITAL		7,089,481.27

**KITCHIGAMI REGIONAL LIBRARY
INCOME STATEMENT
2022**

	<i>April</i>	<i>May</i>	<i>June</i>	<i>Year-to-Date</i>	<i>Budget</i>	<i>Budget Balance</i>	<i>% Received</i>
STATE AND FEDERAL FUNDS							
State RLBSS	12,678.96			211,079.13	675,421.00	464,341.87	31.25%
State RLTA Cat 1				10,626.60	34,232.00	23,605.40	31.04%
State MIN LINK				-	-	-	-
State RLTA Cat 3				65,331.10	70,000.00	4,668.90	93.33%
Misc. State Funds				-	10,000.00	10,000.00	0.00%
State CARES Act Grant				-	-	-	-
Legacy Funds	10,651.15	10,651.15		53,255.74	97,510.00	44,254.26	54.62%
Federal Covid Retention Funds				-	-	-	-
TOTAL STATE AND FEDERAL FUNDS	<u>23,330.11</u>	<u>10,651.15</u>	<u>-</u>	<u>340,292.57</u>	<u>887,163.00</u>	<u>546,870.43</u>	<u>38.36%</u>
COUNTY GOVERNMENTS							
Beltrami County			204,340.50	204,340.50	408,681.00	204,340.50	50.00%
Cass County	193,513.50			193,513.50	387,027.00	193,513.50	50.00%
Crow Wing County			254,563.50	254,563.50	509,127.00	254,563.50	50.00%
Hubbard County			108,375.00	108,375.00	216,750.00	108,375.00	50.00%
Wadena County *2021	<u>48,113.50</u>	<u>52,075.50</u>		<u>100,189.00</u>	<u>104,151.00</u>	<u>3,962.00</u>	<u>96.20%</u>
TOTAL COUNTY GOVERNMENTS	<u>241,627.00</u>	<u>52,075.50</u>	<u>567,279.00</u>	<u>860,981.50</u>	<u>1,625,736.00</u>	<u>764,754.50</u>	<u>52.96%</u>
CITY GOVERNMENTS							
Bemidji		66,602.00		66,602.00	133,204.00	66,602.00	50.00%
Blackduck		8,000.00		8,000.00	16,000.00	8,000.00	50.00%
Brainerd			39,250.00	39,250.00	78,500.00	39,250.00	50.00%
Cass Lake	8,200.00			8,200.00	8,200.00	-	100.00%
Longville	4,950.00			4,950.00	9,900.00	4,950.00	50.00%
Park Rapids		23,750.00		23,750.00	47,500.00	23,750.00	50.00%
Pine River		12,000.00		12,000.00	12,000.00	-	100.00%
Wadena	37,000.00			37,000.00	74,000.00	37,000.00	50.00%
Walker Levy * 2021		<u>7,558.50</u>		<u>14,765.00</u>	<u>15,117.00</u>	<u>352.00</u>	<u>97.67%</u>
TOTAL CITY GOVERNMENTS	<u>50,150.00</u>	<u>117,910.50</u>	<u>39,250.00</u>	<u>214,517.00</u>	<u>394,421.00</u>	<u>179,904.00</u>	<u>54.39%</u>
AUTOMATION RR							
Bemidji		5,647.00		5,647.00	5,647.00	-	100.00%
Blackduck		350.00		350.00	350.00	-	100.00%
Brainerd			4,659.00	4,659.00	4,659.00	-	100.00%
Cass Lake		300.00		300.00	300.00	-	100.00%
Longville	289.00			289.00	289.00	-	100.00%
Park Rapids		3,601.00		3,601.00	3,601.00	-	100.00%
Pine River		255.00		255.00	255.00	-	100.00%
Wadena	1,374.00			1,374.00	1,374.00	-	100.00%
Walker		<u>406.00</u>		<u>406.00</u>	<u>406.00</u>	<u>-</u>	<u>100.00%</u>
TOTAL AUTOMATION RR	<u>1,663.00</u>	<u>10,559.00</u>	<u>4,659.00</u>	<u>16,881.00</u>	<u>16,881.00</u>	<u>-</u>	<u>100.00%</u>
OTHER INCOME							
Interest	902.60	959.49	963.80	5,675.81	15,000.00	9,324.19	37.84%
Endowment Income				5,188.28	4,933.00	(255.28)	105.17%
NLLN Grant for E-Resources				5,000.00	5,000.00	-	100.00%
Donations Region Wide	1,388.40	500.00	1,500.00	12,891.48	15,000.00	2,108.52	85.94%
Branch Sales & Fees	2,348.83	1,612.70	1,769.05	9,325.42	25,000.00	15,674.58	37.30%
Winter Reading Program	250.28			1,635.66		(1,635.66)	
Inter Library Loan	25.00	15.00	15.00	159.97		(159.97)	
Miscellaneous	14.00	15.00	1.00	299.11		(299.11)	
Over/Short	<u>22.13</u>	<u>26.25</u>	<u>32.49</u>	<u>125.17</u>		<u>(125.17)</u>	
TOTAL OTHER INCOME	<u>4,951.24</u>	<u>3,128.44</u>	<u>4,281.34</u>	<u>40,300.90</u>	<u>64,933.00</u>	<u>24,632.10</u>	<u>62.07%</u>
TOTAL INCOME BEFORE TRANSFERS	<u>321,721.35</u>	<u>194,324.59</u>	<u>615,469.34</u>	<u>1,472,972.97</u>	<u>2,989,134.00</u>	<u>1,516,161.03</u>	<u>49.28%</u>
TRANSFERS FROM FUNDS					<u>334,019.00</u>		
TOTAL INCOME					<u>3,323,153.00</u>		

**KITCHIGAMI REIONAL LIBRARY
EXPENSE STATEMENT
2022**

	April	May	June	Year-to-Date	Budget	Budget Balance	% Spent
PERSONNEL							
Wages and Benefits	150,343.05	143,255.89	151,387.49	853,451.52	1,877,548.00	1,024,096.48	45.46%
Health Plan + Supplement	22,306.64	21,380.14	21,380.14	120,511.24	240,000.00	119,488.76	50.21%
Training & Development		270.25		2,074.96	14,450.00	12,375.04	14.36%
Interview & Hiring			1,360.00	8,697.12	8,000.00	(697.12)	108.71%
TOTAL PERSONNEL	172,649.69	164,906.28	174,127.63	984,734.84	2,139,998.00	1,155,263.16	46.02%
LIBRARY MATERIALS							
Books, Collections & Processing	23,466.38	20,213.74	20,980.88	106,828.11	307,967.00	201,138.89	34.69%
Video	12,381.68	6,587.86	3,328.93	31,692.03	79,373.00	47,680.97	39.93%
Periodicals	810.97	80.85	183.95	16,197.66	15,925.00	(272.66)	101.71%
Hot Spots	1,997.49	1,975.75	1,955.40	13,183.18	40,000.00	26,816.82	32.96%
E-RESOURCES	7,520.95	7,991.19	3,796.19	43,087.70	153,422.00	110,334.30	28.08%
Data Based Platforms	8,399.92			8,399.92	20,000.00	11,600.08	42.00%
TOTAL LIBRARY MATERIALS	54,577.39	36,849.39	30,245.35	219,388.60	616,687.00	397,298.40	35.58%
LIBRARY OPERATIONS							
Postage/Meter Rental	479.40	1,000.00	9.86	2,882.86	6,000.00	3,117.14	48.05%
Telecommunications	1,454.00	1,361.66	1,527.50	8,551.74	18,855.00	10,303.26	45.36%
Supplies	326.32	3,589.85	1,603.49	12,048.89	11,500.00	(548.89)	104.77%
Copier Contract	135.64		106.75	595.98	1,000.00	404.02	59.60%
Data Lines NW Links				7,443.00	50,000.00	42,557.00	14.89%
ARR Reserve Expenses	5,321.00	75.00	1,494.00	11,252.39	5,500.00	(5,752.39)	204.59%
Capital Grant Expense				84,001.33		(84,001.33)	
Contracted Network Support	22,010.88	14,941.24	11,825.50	85,284.01	102,000.00	16,715.99	83.61%
ILS Maintenance	3,410.00			54,823.93	95,713.00	40,889.07	57.28%
Software Licenses				-	25,000.00	25,000.00	0.00%
Summer Reading Program	289.55	10,035.54	1,108.23	11,433.32	14,495.00	3,061.68	78.88%
Promotion			575.06	575.06		(575.06)	
Inter Library Loans	48.98		75.90	134.88		(134.88)	
TOTAL LIBRARY OPERATIONS	33,475.77	31,003.29	18,326.29	279,027.39	330,063.00	51,035.61	84.54%
DELIVERY & STAFF VAN							
Mileage/Route Expense	983.98	1,171.80	1,046.23	5,973.54	21,475.00	15,501.46	27.82%
Insurance			2,780.01	2,780.01	3,000.00	219.99	92.67%
Repairs and Maintenance			379.18	499.49	4,420.00	3,920.51	11.30%
Capital Van Replacement Transfer				-	2,400.00		
TOTAL DELIVERY & STAFF VAN	983.98	1,171.80	4,205.42	9,253.04	31,295.00	22,041.96	29.57%
MOBILE VEHICLE, Regional Outreach							
Mileage/Route Expense	562.61	820.67	627.21	3,536.18	10,000.00	6,463.82	35.36%
Insurance			2,840.58	2,840.58	3,000.00	159.42	94.69%
Repairs and Maintenance			51.52	70.77	1,000.00	929.23	7.08%
TOTAL MOBIL LIBRARY VEHICLE	562.61	820.67	3,519.31	6,447.53	14,000.00	7,552.47	46.05%
HEADQUARTERS FACILITY							
Utilities	1,093.35	758.36	580.24	5,264.97	7,600.00	2,335.03	69.28%
Insurance-Contents & Liability			6,280.00	6,280.00	7,200.00	920.00	87.22%
Building Repair & Maintenance	70.62	938.40	2,374.91	35,405.07	6,400.00	(29,005.07)	553.20%
TOTAL HEADQUARTERS FACILITY	1,163.97	1,696.76	9,235.15	46,950.04	21,200.00	(25,750.04)	221.46%
KRL BOARD & ADMINISTRATION							
Board Meetings		368.55	76.05	1,034.28	7,000.00	5,965.72	14.78%
Special Projects	579.15		353.53	998.75	11,000.00	10,001.25	9.08%
Legacy	13,838.00	5,400.36	15,816.98	59,166.55	97,510.00	38,343.45	60.68%
Membership Dues	695.00			695.00	2,000.00	1,305.00	34.75%
Professional Fees	751.00	1,550.00	5,201.14	20,323.14	28,000.00	7,676.86	72.58%
Board Insurance				-	3,000.00	3,000.00	0.00%
Software/Fees	160.96	350.94	160.96	3,673.45	4,900.00	1,226.55	74.97%
TOTAL KRL BOARD	16,024.11	7,669.85	21,608.66	85,891.17	153,410.00	67,518.83	55.99%
OTHER							
Administration Travel	452.07			4,499.99	6,500.00	2,000.01	69.23%
Associate Service Crosslake				5,000.00	5,000.00	-	100.00%
Associate Service Pequot Lakes				5,000.00	5,000.00	-	100.00%
Banking Fees	47.00	11.20	5.00	156.66		(156.66)	
Miscellaneous			71.68	71.68		(71.68)	
Late Fees & Discounts Saved		(11.04)	(786.61)	(772.65)		772.65	
TOTAL OTHER	499.07	0.16	(709.93)	13,955.68	16,500.00	2,544.32	84.58%
TOTAL EXPENSES	279,936.59	244,118.20	260,557.88	1,645,648.29	3,323,153.00	1,677,504.71	49.52%
TOTAL INCOME	321,721.35	194,324.59	615,469.34	1,472,972.97	2,989,134.00	1,516,161.03	49.28%
EXCESS (DEFICIT) OVER EXP.	41,784.76	(49,793.61)	354,911.46	(172,675.32)	(334,019.00)		
TRANSFERS APPROVED					334,019.00		

4d Arts and Cultural Heritage Fund (ACHF) FY21 FRF April – June 2022

Action Request: For Board information

The ACHF Financial Reporting Form (FRF) claim number 6 for Legacy funds was submitted and is attached for Board information.

KRLS branch libraries were busy with in-person events funded by ACHF during the April to June quarter of 2022. Multiple author visits were hosted by KRLS branches with topics including poetry, true crime, and children's literature.

The Brainerd Public Library welcomed the Sustainable Sheep and Fiber Community of Northern Minnesota (SSFC) to the library in June to present "Exploring the Fiber Heritage of Minnesota". There were demonstrations of fiber techniques and free take and make kits throughout the day.

To supplement the Summer Reading Program activities happening throughout the Kitchigami Region, Legacy funds were used to host the children's concert "Ralph's World" at ten locations. The events attracted a total of 412 attendees. Many survey respondents enjoyed the interactive aspect of the program with one parent noting "We saw Ralph's World in Bemidji 3 years ago [and] we loved it so much we drove to Park Rapids today to see him again. A lot of fun for the whole family!".

Legacy funded programs for April through June 2022:

Regional programs

- Ralph's World Children's Concert – 6/21/22 to 6/25/22 (10 events); Bemidji, Blackduck, Brainerd, Cass Lake, Longville, Park Rapids, Pine River, Walker, Pequot Lakes, Crosslake

Local programs

- "Krafts with Kim" presented by Kim Norman – 2/7/22 to 5/16/22 (7 sessions total) – Pine River
- "Let's Create" Kits presented by Lillian Norman – 2/18/22 to ongoing (12 sessions total) – Wadena
- Songwriting Workshops with Kristi Kellogg (6 workshop sessions) – 4/18/22 to 5/23/22 – Park Rapids
- "Nature + Self/Environment + Body" author talk with Moheb Soliman and Kathryn Savage – 4/23/22 – Bemidji
- "All About Fry Bread" presented by Tana Morgan Robinson (Niimi'idiwag event) – 4/23/2022 – Bemidji

- “Contrapasso” author talk with Nathan Jorgenson – 5/3/22 – Bemidji
- Fluid Painting Classes presented by Harper Bennett – 5/5/22 to 6/3/22 (4 sessions total) – Pine River
- “Secrets of Congdon Mansion” author talk with Joe Kimball – 5/16/22 – Pine River
- “Is What My Grandma Told Me True” genealogy workshop with Wendell Affield – 5/19/22 – Bemidji
- Author Storytime with Corinda Edevold – 6/11/22 – Bemidji
- “Code 4” author talk with Terry Smith – 6/15/22 – Bemidji
- Children’s Author/Illustrator presentation with Derek Anderson (2 sessions) – 6/16/22 – Brainerd
- Summer Crafting Workshops with Donna Sonenstahl (6 sessions) – 6/21/22 to 8/17/22 – Pine River

STATE OF MINNESOTA - MN Department of Education

Cumulative Report

Grantee: Kitchigami Regional Library System
Fund Source: Arts & Cultural Heritage - Library Legacy
Project Title: FY21 Funds
Grant ID: 5290

Grant Period: 9/15/2020-6/30/2023 Grant Total: \$108,739.12
Expenditures Through: 3/31/2022 Claim Number: 6
Current Reimbursement Period Dates 04/01/2022 Thru 06/30/2022

Return/Mail To: Deb Rose
MN Department of Education
Grant Services Division
1500 Highway 36 W
Roseville, MN 55113

Financial Reporting Form

Fill in only 'current' columns. Enter actual expenditures for the period and the amount of advance 'spend down'.

Phone: (651) 582-8853
Email: debra.rose@state.mn.us

Code\Description	Grants				
	Budget	Expended	Cur. Balance	Cur. Expended	New Balance
Adm Administration	\$5,436.95	\$2,718.46	\$2,718.49	\$2,718.49	\$0.00
Statewide initiative (up to 10%)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other (estimate of expenses are in application)	\$103,302.17	\$44,641.66	\$58,660.51	\$48,909.90	\$9,750.61
	\$108,739.12	\$47,360.12	\$61,379.00	\$51,628.39	\$9,750.61

Amount To Be Paid \$51,628.39
Apply To Advance \$0.00
Amount To Be Paid on this request \$51,628.39

Previous Amount Remaining To Be Paid \$47,360.12
Outstanding Advance Amount \$0.00

Please indicate if this is a final payment. Final Payment? ☐ Yes ☒ No Any remaining funds will be cancelled if 'YES' is marked.

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

Carol Christensen 7/13/2022
Completed By Date

Melissa Whatley 7/13/2022
Authorized By Date

Notes:

4e Director's Report

Technology Upgrade Funding

NWLinks reimbursement of \$24,875.75 came in for the technology infrastructure upgrades taking place in Wadena and Park Rapids. We are also looking into further technology upgrades taking advantage of ARPA funding of approximately \$72,000 through grants offered by State Library Services, whose spending deadline has been extended from September to December of this year.

Outreach at Cass County Fair

KRLS staff from Pine River, Walker, and HQ organized and operated a Kitchigami vendor booth at the Cass County Fair on June 23-26 in Pine River with the goal of educating the public about our regional services, locations, and collections. Approximately 96 fair attendees actively engaged with the KRLS booth where they received information about KRLS e-resources, Summer Reading Programs, book recommendations, and other general KRLS library topics. This helps support our strategic plan goal of reaching the community who may have never heard of Kitchigami as a region or know how it relates to their local library branches.

Maintenance/Repairs

Our delivery van is back following repairs and is functioning well. Headquarters parking lot repairs, resealing, and striping are underway and should be completed soon.

Regional Meetings

I attended the NWLinks Governance Council meeting July 12th. I will be attending the Council of Regional Public Library System Administrators (CRPLSA) meeting in person in St. Cloud July 27th-29th. Our Branch Managers and Legacy Coordinator will be meeting virtually July 27th to discuss Legacy programming procedures in establishing greater regional equality and collaboration; and to plan future Legacy events into 2023.

Summer Reading Update

The Summer Reading Program is going well, and we're on pace to meet or exceed last year's numbers in registration and completion at most branches reporting. Thank you again to the Board for supporting the purchase of completion prizes and for their support of the program. Library staff are interacting with our community by issuing new library cards (a monthly record of 61 new cards for Park Rapids!); hosting passive and active programming in the library and out in the community like take and make kits, weekly speakers, and story times; and helping our community learn about all the exciting and fun resources the library has to offer.

KRLS Checkouts

January - June 2022

Location	2021	2022	Percent Change
Bemidji	51,346	51,093	-0.49%
Blackduck	3,939	3,307	-16.04%
Brainerd	45,126	81,389	80.36%
Cass Lake	2,205	2,222	0.77%
Longville	5,560	5,030	-9.53%
Park Rapids	23,700	25,875	9.18%
Pine River	8,315	14,354	72.63%
Wadena	21,192	18,738	-11.58%
Walker	8,233	8,226	-0.09%

Mobile Locations

Backus	241	432	79.25%
Bay Lake	85	147	72.94%
Becida	209	32	-84.69%
Garrison	378	394	4.23%
Hackensack	63	79	25.40%
Laporte	83	73	-12.05%
Leader	91	368	304.40%
Menahga	1,684	1,917	13.84%
Nevis	515	444	-13.79%
Nimrod	322	252	-21.74%
Nisswa	232	201	-13.36%
Remer	291	430	47.77%
Sebeka	812	740	-8.87%

Associate Locations

Crosslake	1,107	626	-43.45%
Pequot Lakes	3,499	1,593	-54.47%

TOTAL	179,228	217,962	21.61%
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Electronic Resources January-June 2022

cloudLibrary	2021	2022	Percent change
Checkouts: eBooks	35,277	29,525	-16%
Checkouts: eAudio	21,455	20,022	-7%
New Patrons	342	438	28%

Ancestry Library

Searches	337	2114	527%
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hoopla	2021	2022	
Checkouts: eBooks	1,837	4748	158%
Checkouts: Comics	167	200	20%
Checkouts: Movies	522	639	22%
Checkouts: eAudio	2,847	7279	156%
Checkouts: Music	108	159	47%
Checkouts: Television	286	698	144%
New Patrons	866	994	15%

ELM: EBSCO	2021	2022	Percent change
Sessions	99	87	-12%
Searches	469	348	-26%

ELM: Britannica

Sessions	371	466	26%
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Flipster

Online View	611	547	-10%
Downloads	1906	1701	-11%

5a 2023 Operating Budgets: Cities & Counties

Action Request: That the Board review, amend as necessary, and approve 2023 city and county 2023 budgets for distribution to the cities and counties.

The 2023 city and county budgets are attached (and the mobile library budget is also included for Board information). These are the same as presented in June with no updates suggested by the Board at that time. The Joint Powers Agreement requires that these be sent to the cities and the counties by July 31st.

2023 Operating Budget Beltrami County: Draft

Highlights: Residents of the county will receive 77 hours/week access to branch library services located in Bemidji and Blackduck.

	2022 Approved	2023 Proposed
Expense		
KRL Board	\$ 850	\$ 850

Outreach		
Operating	\$ -	\$ -
Capital	\$ -	\$ -
Total:	\$ -	\$ -

Branch Libraries (Bemidji and Blackduck)

Personnel	\$ 464,249	\$ 517,660
Communications	\$ 3,000	\$ 2,850
Materials	\$ 83,648	\$ 83,918
Technical Services	\$ 13,129	\$ 18,776
Delivery	\$ 3,315	\$ 3,315
City KRL Board	\$ 1,700	\$ 1,700
Total:	\$ 569,041	\$ 628,219

County Total:	\$ 569,891	\$ 629,069
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Revenue

City Levy Requests

Bemidji	\$ (133,204)	\$ (137,200)	\$3,996	3.0%
Blackduck	\$ (16,000)	\$ (16,480)	\$480	3.0%
City Levy Request Total	\$ (149,204)	\$ (153,680)		

County Levy Request:	\$ 408,687	\$ 420,889	\$ 12,202	3.0%
	\$ -	\$ -		

Additional Contributing Revenue

\$ (12,000)	\$ (12,000)	KRLS health insurance carryover reserve
\$ -	\$ (42,500)	Contributions from KRLS General Fund

2023 Operating Budget Bemidji: Draft

Highlights: The Bemidji branch library will continue to be open to the public 56 hours per week.

Expense

	2022 Approved	2023 Proposed
KRL Board	\$ 850	\$ 850

Personnel

Wages	\$ 354,849	\$ 392,000	5 FT and 4 PT staff, 7.1 FTE
Health Plan and Supplement	\$ 52,800	\$ 66,060	5 FT health plans, 2 PT stipends
Training and Development	\$ 1,300	\$ 1,300	
Personnel Total:	\$ 408,949	\$ 459,360	0.12

Communications

Postage	\$ -	\$ -	Covered by HQ
Telecommunications	\$ 2,300	\$ 2,300	
Data Lines	\$ -	\$ -	NW Links membership costs
Communications Total:	\$ 2,300	\$ 2,300	

Materials

Books	\$ 37,434	\$ 37,434	
Audiovisual	\$ 10,367	\$ 10,367	
Periodicals	\$ 3,900	\$ 3,900	
Database platforms	\$ -	\$ -	Currently covered by HQ
Shared Collections	\$ 7,251	\$ 7,478	Rotating large print and audiobooks
E-materials	\$ 7,734	\$ 7,734	eMaterial platform and portion of eAudio
Supplemental processing	\$ 1,000	\$ 1,000	To catalog and process donated and misc. materials.
Supplies	\$ 3,000	\$ 3,000	Library supplies
Total Materials	\$ 70,686	\$ 70,913	

Technical Services

Technical Support	\$ 11,036	\$ 15,337
Technical Services Total:	\$ 11,036	\$ 15,337

Delivery

Thursday delivery route	\$ -	\$ 1,875
Operating	\$ -	\$ 320
Capitol (van replacement)	\$ -	\$ 400
Total Delivery:	\$ -	\$ 2,595

Branch TOTAL	\$ 493,821	\$ 551,355
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Total with City COVID19 Fund
Balance Offset

City Levy Request	\$ 133,204	\$ 137,200	\$ 3,996 3.0%
City ARR Reserve	\$ 5,647	\$ 5,647	Automation Reserve and Replacement

County Levy Requirement	\$ 348,617	\$ 402,155
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Additional Contributing Revenue

	\$ (12,000)	\$ (12,000)	Transfer from KRLS health insurance carryover reserve

2023 Operating Budget Blackduck: Draft

Highlights: The Blackduck branch will continue to be open 21 hours per week.

	2022 Approved	2023 Proposed
City KRL Board	\$ 850	\$ 850

Personnel

Wages	\$ 52,000	\$ 55,000	3 PT staff, 1.1 FTE
Health Plan and Supplement	\$ 2,400	\$ 2,400	1 PT staff health supplement
Training and Development	\$ 900	\$ 900	
Personnel Total:	\$ 55,300	\$ 58,300	0.05

Communications

Postage	\$ -	\$ -	Covered by HQ
Telecommunications	\$ 700	\$ 550	
Data Lines	\$ -	\$ -	NW Links membership costs
Communications Total:	\$ 700	\$ 550	

Materials

Books	\$ 7,500	\$ 7,500	
Audiovisual	\$ 2,500	\$ 2,500	DVD/CD/Audiobook
Periodicals	\$ 360	\$ 360	Newspapers/Magazine
Database platforms	\$ -	\$ -	Currently covered by HQ
Shared Collections	\$ 775	\$ 818	Rotating large print and audiobooks
E-materials	\$ 827	\$ 827	eMaterial platform and portion of eAudio
Supplemental processing	\$ 500	\$ 500	To catalog and process donated and misc. materials.
Supplies	\$ 500	\$ 500	Library supplies
Software and licenses			
Total Materials	\$ 12,962	\$ 13,005	

Technical Support	\$ 2,093	\$ 3,439
Technical Services Total:	\$ 2,093	\$ 3,439

Delivery

Operating	320	320
Capital	400	400
Delivery Total:	720	720

Branch TOTAL	\$ 72,625	\$ 76,864
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City COVID19 Fund Balance Offset

City Levy Request	\$ 16,000	\$ 16,480	\$ 480 3%
City ARR Reserve	\$ 350	\$ 350	Automation Reserve and Replacement

County Levy Requirement	\$ 56,625	\$ 57,984
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Additional Contributing Revenue	\$ -	\$ (2,400)	Transfer from KRLS health insurance carryover reserve
	\$ -		
	\$ -		

2023 Operating Budget Cass County: Draft

Highlights: Cass County residents receive 108 hours each week of library service from branch libraries in Cass Lake, Longville, Pine River and Walker. Outreach services will be delivered via bookmobile to Backus, Remer, Leader and Hackensack.

	2022 Approved	2023 Proposed
Expense		
KRL Board	\$ 850	\$ 850

Outreach

Operating	\$ 25,922	\$ 22,520	Bookmobile service in 4 locations
Capital	\$ -	\$ -	
Total:	\$ 25,922	\$ 22,520	

Branch Libraries (Cass Lake, Longville, Pine River, Walker)

Personnel	\$ 293,200	\$ 338,079
Communications	\$ 3,130	\$ 3,100
Materials	\$ 97,593	\$ 97,769
Technical Services	\$ 10,152	\$ 13,432
Delivery	\$ 2,880	\$ 2,880
City KRL Board	\$ 3,400	\$ 3,400
Total:	\$ 410,355	\$ 458,660

County Total:	\$ 437,127	\$ 482,030
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Revenue

City Levy Requests

Cass Lake	\$ (8,200)	\$ (8,446)	\$246	3.0%
Longville	\$ (9,900)	\$ (10,197)	\$297	3.0%
Pine River	\$ (12,000)	\$ (12,360)	\$360	3.0%
Walker	\$ (15,200)	\$ (15,656)	\$456	3.0%
City Levy Request Total	\$ (45,300)	\$ (46,659)		

County Levy Request:	\$ 387,027	\$ 398,571	\$ 11,544	3.0%
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Additional Contributing Revenue

\$ (4,800)	\$ (4,800)	KRLS health insurance carryover reserve
\$ (32,000)		Contributions from KRLS General Fund

2023 Operating Budget Cass Lake: Draft

Highlights: The Cass Lake library will continue to be open 20 hours per week at the 2020 staffing level.

Expense

	2022 Approved	2023 Proposed
KRL Board	\$ 850	\$ 850

Personnel

Wages	\$ 45,000	\$ 46,600	3 PT staff = .9FTE
Health Plan and Supplement	\$ 2,400	\$ 2,400	1 PT health supplement
Training and Development	\$ 400	\$ 400	
Personnel Total:	\$ 47,800	\$ 49,400	

Communications

Postage	\$ -	\$ -	Covered by HQ
Telecommunications	\$ 600	\$ 700	
Data Lines	\$ -	\$ -	NW Links membership costs
Communications Total:	\$ 600	\$ 700	

Materials

Books	\$ 12,179	\$ 12,179	
Audiovisual	\$ 4,978	\$ 4,978	DVD/CD/Audiobook
Periodicals	\$ 300	\$ 300	Newspapers/Magazine
Database platforms	\$ -	\$ -	Currently covered by HQ
Shared Collections	\$ 699	\$ 700	Rotating large print and audiobooks
Shared eMaterials	\$ 745	\$ 745	eMaterial platform and portion of eAudio
Supplemental processing	\$ 50	\$ 50	To catalog and process donated and misc. materials.
Supplies	\$ 650	\$ 650	Library supplies
Total Materials	\$ 19,601	\$ 19,602	

Technical Services

Technical Support	\$ 1,411	\$ 2,299	
Technical Services Total:	\$ 1,411	\$ 2,299	

Delivery

Thursday delivery route			
Operating	\$ 320	\$ 320	
Capital (van replacement)	\$ 400	\$ 400	
Total Delivery:	\$ 720	\$ 720	

Branch TOTAL	\$ 70,982	\$ 73,571	
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Total with City COVID19

Fund Balance Offset

City Levy Request	\$ 8,200	\$ 8,446	\$ 246 3%
City ARR Reserve	\$ 300	\$ 300	Automation Reserve and Replacement

County Levy Requirement	\$ 62,782	\$ 65,125	
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Additional Contributing Revenue

\$ - \$ -

2023 Operating Budget Longville: Draft

Highlights: The Margaret Welch Memorial Library will continue to be open to the public 20 hours per week at the 2020 staffing level.

	2022 approved	2023 Proposed	
City KRL Board	\$ 850	\$ 850	
Personnel			
Wages	\$ 50,000	\$ 57,700	3 PT staff= 1.175 FTE
Health Plan and Supplement	\$ -	\$ -	
Training and Development	\$ 300	\$ 300	
Personnel Total:	\$ 50,300	\$ 58,000	
Communications			
Postage	\$ -	\$ -	Covered by HQ
Telecommunications	\$ 500	\$ 500	
Data Lines	\$ -	\$ -	NW Links membership costs
Communications Total:	\$ 500	\$ 500	
Materials			
Books	\$ 13,929	\$ 13,929	
Audiovisual	\$ 4,676	\$ 4,676	DVD/CD/Audiobook
Periodicals	\$ 600	\$ 600	Newspapers/Magazine
Database platforms	\$ -	\$ -	Currently covered by HQ
Shared Collections	\$ 817	\$ 941	Rotating large print and audiobooks
Shared eMaterials	\$ 871	\$ 871	eMaterial platform and portion of eAudio
Supplemental processing	\$ 200	\$ 200	To catalog and process donated and misc. materials.
Supplies	\$ 650	\$ 650	Library supplies
Total Materials	\$ 21,743	\$ 21,867	
Technical Support	\$ 2,512	\$ 3,412	
Technical Services Total:	\$ 2,512	\$ 3,412	
Delivery			
Operating	320	320	
Capital	400	400	
Delivery Total:	720	720	
Branch TOTAL	\$ 76,625	\$ 85,349	
Total with City COVID19			
Fund Balance Offset			
City Levy Request	\$ 9,900	\$ 10,197	\$ 297 3%
City ARR Reserve	\$ 289	\$ 289	Automation Reserve and Replacement
County Levy Requirement	\$ 66,725	\$ 75,152	
Additional Contributing Revenue			

2023 Operating Budget Pine River: Draft

Highlights: The Pine River library will continue to be open to the public 33 hours per week

2022 **2023**
Approved Proposed

City KRL Board	\$	850	\$	850
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Personnel

Wages	\$	83,500	\$	98,500	1 FT and 3 PT staff = 1.93FTE
Health Plan and Supplement	\$	12,000	\$	14,652	1 FT health insurance plan and 1 PT health supplement
Training and Development	\$	600	\$	600	
Personnel Total:	\$	96,100	\$	113,752	

Communications

Postage	\$	-	\$	-	Covered by HQ
Telecommunications	\$	1,400	\$	1,300	
Data Lines	\$	-	\$	-	NW Links membership costs
Communications Total:	\$	1,400	\$	1,300	

Materials

Books	\$	13,827	\$	13,827	
Audiovisual	\$	6,206	\$	6,206	DVD/CD/Audiobook
Periodicals	\$	1,582	\$	1,582	Newspapers/Magazine
Database platforms	\$	-	\$	-	Currently covered by HQ
Shared Collections	\$	1,444	\$	1,458	Rotating large print and audiobooks
Shared eMaterials	\$	1,540	\$	1,540	eMaterial platform and portion of eAudio
Supplemental processing	\$	450	\$	450	To catalog and process donated and misc. materials.
Supplies	\$	1,000	\$	1,000	Library supplies
Total Materials	\$	26,049	\$	26,063	

Technical Support	\$	3,022	\$	4,005
Technical Services Total:	\$	3,022	\$	4,005

Delivery

Operating		320		320
Capital		400		400
Delivery Total:		720		720

Branch TOTAL	\$	128,141	\$	146,690
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Total with City COVID19

Fund Balance Offset

City Levy Request	\$	12,000	\$	12,360	\$ 360 3%
City ARR Reserve	\$	255	\$	255	Automation Reserve and Replacement

County Levy Requirement	\$	113,741	\$	131,930
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Revenue	\$	(2,400)	\$	(2,400)	Transfer from Health Insurance Carryover
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2023 Operating Budget Walker: Draft

Highlights: The Walker library will continue to be open to the public 35 hours per week at the 2020 staffing level.

	2022 Approved	2023 Proposed	
City KRL Board	\$ 850	\$ 850	
Personnel			
Wages	\$ 88,500	\$ 103,775	1 FT and 3 PT staff = 2.03 FTE
Health Plan and Supplement	\$ 9,600	\$ 12,252	1 FT health insurance plan
Training and Development	\$ 900	\$ 900	
Personnel Total:	\$ 99,000	\$ 116,927	
Communications			
Postage	\$ -	\$ -	Covered by HQ
Telecommunications	\$ 630	\$ 600	
Data Lines	\$ -	\$ -	NW Links membership costs
Communications Total:	\$ 630	\$ 600	
Materials			
Books	\$ 16,825	\$ 16,825	
Audiovisual	\$ 7,247	\$ 7,247	DVD/CD/Audiobook
Periodicals	\$ 1,583	\$ 1,583	Newspapers/Magazine
Database platforms	\$ -	\$ -	Currently covered by HQ
Shared Collections	\$ 1,546	\$ 1,583	Rotating large print and audiobooks
Shared eMaterials	\$ 1,649	\$ 1,649	eMaterial platform and portion of eAudio
Supplemental processing	\$ 350	\$ 350	To catalog and process donated and misc. materials.
Supplies	\$ 1,000	\$ 1,000	Library supplies
Software and licences	\$ -	\$ -	
Total Materials	\$ 30,200	\$ 30,237	
Technical Support	\$ 3,207	\$ 3,716	
Technical Services Total:	\$ 3,207	\$ 3,716	
Delivery			
Operating	320	320	
Capital	400	400	
Delivery Total:	720	720	
Branch TOTAL	\$ 134,607	\$ 153,050	
Total with City COVID19 Fund Balance Offset			
City Levy Request	\$ 15,200	\$ 15,656	\$ 456 3%
City ARR Reserve	\$ 406	\$ 406	Automation Reserve and Replacement
County Levy Requirement	\$ 117,007	\$ 134,994	
Additional Contributing Revenue	\$ (2,400)	\$ (2,400)	Transfer from Health Insurance Carryover

2023 Operating Budget Crow Wing County: Draft

Highlights County residents have access to public library services 58 hours per week at Brainerd Public Library. Outreach services will be available at bookmobile stops in KRLS also provides funding and services to the community libraries in Crosslake in Pequot Lakes for the benefit of KRLS cardholders.

	2022 Approved	2023 Proposed
Expense		
KRL Board	\$ 850	\$ 850

Outreach

Operating	\$ 17,676	\$ 16,203	Bookmobile service for 3 locations
Capital	\$ -	\$ -	
Total:	\$ 17,676	\$ 16,203	

Branch Library: Brainerd

Personnel	\$ 469,100	\$ 528,060
Communications	\$ 2,200	\$ 2,200
Materials	\$ 106,122	\$ 105,449
Technical Services	\$ 16,048	\$ 21,330
Delivery	\$ -	\$ 2,595
City KRL Board	\$ 850	\$ 850
Total:	\$ 594,320	\$ 660,484

County Total:	\$ 612,846	\$ 677,537
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County Levy Request:	\$ 509,127	\$ 524,182	\$ 15,055	3.0%
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Additional Contributed Revenue

City Levy Requests

Brainerd	\$ (78,500)	\$ (80,855)	\$2,355	3.0%
City Levy Request Total	\$ (78,500)	\$ (80,855)		

Transfers from reserves

\$ (12,000)	\$ (12,000)	KRLS health insurance carryover reserve
\$ -	\$ (60,500)	Contributions from KRLS General Fund

2023 Operating Budget Brainerd: Draft

Highlights: The Brainerd Public Library will continue to be open 58 hours per week.

Expense

2022
Approved

2023
Proposed

KRL Board	\$ 850	\$ 850
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Personnel

Wages	\$ 410,000	\$ 455,700	5 FT staff and 6 PT staff = 8.47 FTE
Health Plan and Supplement	\$ 57,600	\$ 70,860	5 FT health plans and 4 PT health supplements
Training and Development	\$ 1,500	\$ 1,500	
Personnel Total:	\$ 469,100	\$ 528,060	

Communications

Postage	\$ -	\$ -	HQ Covers
Telecommunications	\$ 2,200	\$ 2,200	
Data Lines	\$ -	\$ -	NW Links membership costs
Communications Total:	\$ 2,200	\$ 2,200	

Materials

Books	\$ 57,500	\$ 57,500	
Audiovisual	\$ 17,535	\$ 17,535	DVD/CD/Audiobook
Periodicals	\$ 4,750	\$ 4,750	Newspapers/Magazine
Database platforms	\$ -	\$ -	Currently covered by HQ
Shared Collections	\$ 10,566	\$ 9,893	Rotating large print and audiobooks
E-materials	\$ 11,271	\$ 11,271	eMaterial platform and portion of eAudio
Supplemental processing	\$ 1,000	\$ 1,000	To catalog and process donated and misc. materials.
Supplies	\$ 3,500	\$ 3,500	Library supplies
Software and licences	\$ -	\$ -	
Total Materials	\$ 106,122	\$ 105,449	

Technical Services

Technical Support	\$ 16,048	\$ 21,330
Technical Services Total:	\$ 16,048	\$ 21,330

Delivery

Thursday delivery route	\$ -	\$ 1,875
Operating	\$ -	\$ 320
Capitall (van replacement)	\$ -	\$ 400
Total Delivery:	\$ -	\$ 2,595

Branch TOTAL	\$ 594,320	\$ 660,484
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City Levy Request	\$ 78,500	\$ 80,855	\$ 2,355 3.0%
City ARR Reserve	\$ 4,659	\$ 4,659	Automation Reserve and Replacement

Page 10 of 161

County Levy Requirement	\$ 503,820	\$ 567,629	
Revenue	\$ (12,000)	\$ (12,000)	Transfer from KRLS health insurance carryover reserve

2023 Operating Budget Hubbard County: Draft

Highlights: Hubbard County residents receive access to library service through the Park Rapids Area Library and outreach services from bookmobile stops in Nevis, Laporte and Becida.

	2022 Approved	2023 Proposed	
Expense			
KRL Board	850	\$ 850	
Outreach			
Operating	20,258	\$ 15,599	Bookmobile service for 3 locations
Capital	0	\$ -	
Total:	20,258	\$ 15,599	
Branch Library: Park Rapids			
Personnel	198,050	\$ 228,854	
Communications	625	\$ 625	
Materials	50,795	\$ 50,866	
Technical Services	5,842	\$ 9,344	
Delivery	0	\$ 2,595	
City KRL Board	850	\$ 850	
Total:	253,416	\$ 293,134	
County Total:	274,524	\$ 309,583	

Revenue

City Levy Requests				
Park Rapids	(47,500)	\$ (48,925)	\$ 1,425	3.0%
City Levy Request Total	(47,500)	\$ (48,925)		
County Levy Request:	216,750	\$ 223,258	\$ 6,508	3.0%

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Additional Contributing Revenue

(2,400)	\$ (2,400)	KRLS health insurance carryover reserve
0	\$ (35,000)	Contributions from KRLS General Fund
0		

2023 Operating Budget Park Rapids: Draft

Highlights: The Park Rapids Area Library will continue to have 44 open public hours per week at the 2020 staffing levels.

Expense

	2022 Approved	2023 Proposed
KRL Board	\$ 850	\$ 850

Personnel

Wages	\$ 173,000	\$ 198,500	2 FT and 4 PT staff = 3.8 FTE
Health Plan and Supplement	\$ 24,000	\$ 29,304	2 FT health plan 2 PT health supplements
Training and Development	\$ 1,050	\$ 1,050	
Personnel Total:	\$ 198,050	\$ 228,854	

Communications

Postage	\$ -	\$ -	Covered by HQ
Telecommunications	\$ 625	\$ 625	
Data Lines	\$ -	\$ -	Covered by HQ
Communications Total:	\$ 625	\$ 625	

Materials

Books	\$ 26,866	\$ 26,866	
Audiovisual	\$ 12,628	\$ 12,628	DVD/CD/Audiobook
Periodicals	\$ 2,000	\$ 2,000	Newspapers/Magazine
Database platforms	\$ -	\$ -	Currently covered by HQ
Shared Collections	\$ 3,749	\$ 3,820	Rotating large print and audiobooks
E-materials	\$ 3,999	\$ 3,999	eMaterial platform and portion of eAudio
Supplemental processing	\$ 453	\$ 453	To catalog and process donated and misc. materials.
Supplies	\$ 1,100	\$ 1,100	Library supplies
Total Materials	\$ 50,795	\$ 50,866	

Technical Services

Technical Support	\$ 5,842	\$ 9,344	
Technical Services Total:	\$ 5,842	\$ 9,344	

Delivery

Thursday delivery route		\$ 1,875	
Operating		\$ 320	
Capitol (van replacement)		\$ 400	
Total Delivery:	\$ -	\$ 2,595	

Branch TOTAL	\$ 256,162	\$ 293,134	
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City Levy Request	\$ 47,500	\$ 48,925	\$ 1,425 3.0%
City ARR Reserve	\$ 3,601	\$ 3,601	Automation Reserve and Replacement

County Levy Requirement	\$ 206,262	\$ 241,809	
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\$ (2,400) \$ (2,400) Transfer from KRLS health insurance carryover reserve

2023 Operating Budget Wadena County: Draft

Highlights: Wadena County residents receive library service through the Wadena City Library and outreach services through bookmobile stops in Nimrod, Sebekka

	2022 Approved	2023 Proposed	
Expense			
KRL Board	\$ 850	\$ 850	
Outreach			
Operating	\$ 24,260	\$ 29,626	Bookmobile service for 3 locations
Capital	\$ -	\$ -	
Total:	\$ 24,260	\$ 29,626	

Branch Library: Wadena

Personnel	\$ 120,900	\$ 162,960
Communications	\$ 1,400	\$ 1,400
Materials	\$ 27,874	\$ 28,051
Technical Services	\$ 4,417	\$ 7,081
Delivery	\$ -	\$ 2,595
City KRL Board	\$ 850	\$ 850
Total:	\$ 155,441	\$ 202,937

County Total:	\$ 180,551	\$ 233,413
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Revenue

City Levy Requests

Wadena	\$ (74,000)	\$ (76,220)	\$ 2,220	3.0%
City Levy Request Total	\$ (74,000)	\$ (76,220)		

County Levy Request:	\$ 104,151	\$ 107,293	\$ 3,142	3.0%
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Additional Contributing Revenue

Transfers from reserves

\$ (2,400)	\$ (2,400)	KRLS health insurance carryover reserve
\$ -	\$ (47,500)	Contributions from KRLS General Fund

2023 Operating Budget Wadena: Draft

Highlights: The City of Wadena Library will continue to provide 40 open hours per week.

Expense

	2022 Approved	2023 Proposed
KRL Board	\$ 850	\$ 850

Personnel

Wages	\$ 106,000	\$ 143,000	1 FT, 4 PT staff
Health Plan and Supplement	\$ 14,400	\$ 19,460	1 FT staff and 3 PT Insurance stipend
Training and Development	\$ 500	\$ 500	*Staff hours added in response to move to larger building.
Personnel Total:	\$ 120,900	\$ 162,960	

Communications

Postage	\$ -	\$ -	Covered by HQ
Telecommunications	\$ 1,400	\$ 1,400	
Data Lines	\$ -	\$ -	NW Links membership costs
Communications Total:	\$ 1,400	\$ 1,400	

Materials

Books	\$ 15,500	\$ 15,500	
Audiovisual	\$ 6,000	\$ 6,000	DVD/CD/Audiobook
Periodicals	\$ 850	\$ 850	Newspapers/Magazine
Database platforms	\$ -	\$ -	Currently covered by HQ
Shared Collections	\$ 2,310	\$ 2,487	Rotating large print and audiobooks
E-materials	\$ 2,464	\$ 2,464	eMaterial platform and portion of eAudio
Supplemental processing	\$ 150	\$ 150	To catalog and process donated and misc. materials.
Supplies	\$ 600	\$ 600	Library supplies
Total Materials	\$ 27,874	\$ 28,051	

Technical Services

Technical Support	\$ 4,417	\$ 7,081	
Technical Services Total:	\$ 4,417	\$ 7,081	

Delivery

Thursday delivery route	\$ -	\$ 1,875	For delivery to 4 largest branches once a week
Operating	\$ -	\$ 320	
Capitol (van replacement)	\$ -	\$ 400	
Total Delivery:	\$ -	\$ 2,595	

Branch TOTAL	\$ 155,441	\$ 202,937
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City Levy Request	\$ 74,000	\$ 76,220	\$ 2,220 3%
City ARR Reserve	\$ 1,374	\$ 1,374	Automation Reserve and Replacement

County Levy Requirement	\$ 79,041	\$ 124,317	
Additional Contributing Revenue	\$ (2,400)	\$ (2,400)	Transfer from KRLS health insurance carryover reserve

		2023 Mobile Library Operating Budget: Draft					
Branch Description	The Mobile Library provides service to Cass, Crow Wing, Hubbard, and Wadena counties within the KRLS Region at 13 different stops per month.						
Expense Area		2022	2023	NOTES			
		Approved	Proposed				
	Personnel						
	Wages and Benefits	\$ 51,500	\$ 55,000	1 FTE			
	Health Plan + Supplement	\$ 9,600	\$ 12,252	Health insurance 1 FT position			
	Personnel Total	\$ 61,100	\$ 67,252				
	Telecommunications						
	Voice	\$ -	\$ -				
	Data	\$ -	\$ -				
	Materials						
	Books	\$ 14,149	\$ 14,149				
	Video/DVD/Sound	\$ 7,236	\$ 7,236				
	Shared collections	\$ 1,295	\$ 832	Rotating Audiobooks and Large Print + eMaterial platform			
	Periodicals	\$ -	\$ -				
	Library supplies	\$ 500	\$ 1,500				
	Materials Total:	\$ 23,180	\$ 23,717				
	Vehicle operating and maintenance	\$ 10,100	\$ 11,000				
	Technical Services						
	Technical Support	\$ 2,325	\$ 2,168				
	ARR Reserve	\$ 500	\$ 500				
	Total Technical Services:	\$ 2,825	\$ 2,668				
	Capital Replacement Reserve	\$ -	\$ -	Vehicle replaced in 2015; reserve sufficient for 5 year replacement			
	Expenses TOTAL:	\$ 97,205	\$ 104,637				
	Revenue from Committed Reserve	\$ 9,900	\$ 9,900	From Crow Wing County Reserve			
	Revenue from County Levies	\$ 87,305	\$ 94,737				

6a Regional Library Basic Systems Support (RLBSS) Application: State FY2023

Action Request: That the Board approve the signatures and submission of the application for RLBSS.

RLBSS is the primary funding from the state for regional libraries and supports the administration and infrastructure of the regional library through headquarters. We submit an annual application with a proposed budget, which will later be amended once we know what our allocation from the state will be (usually determined in August). The amount of any individual regional system's support is determined by a formula applied to the pool of funds approved by the legislature. 2022 aid numbers were used for drafting this budget and will be amended once final amounts are known.

REGIONAL LIBRARY BASIC SYSTEM SUPPORT (RLBSS)

FY 2023 (July 1, 2022 – June 30, 2023) Application

A. Applicant Information

1. Regional public library system name and address:

Kitchigami Regional Library System
310 2nd Street N
Pine River MN 56474

2. Name, title, phone, fax, and e-mail address of regional public library system's chief administrator:

Melissa Whatley
Director
phone 218-587-2171x222
fax 218-587-4855
whatley@krls.org

3. Educational background (including degrees, dates and institutions) and library work experience of the regional public library system's chief administrator:

MLIS Emporia State University, 2018. BA in English, Lindenwood University, 2011. 12+ years' experience working in academic and public libraries in MO and now MN.

4. Number of FTE staff paid with RLBSS funds: 6.5

5. Attach a copy of all organizational agreements defining service expectations of membership, signed by participating political entities that were signed and/or updated since last year's application. Please check appropriate box:

☐ Organizational agreement(s) that are new or have been updated since the last application are attached.

☒ There are no updates to organizational agreements.

6. Strategic Plan:

Regional Public Library Systems are required to provide State Library Services a long-range strategic plan in even numbered years. Because planning cycles vary and planning is continuous, please provide one of the following with this aid application.

Please indicate which is attached:

☐ **A new long-range strategic plan.**

☒ **A brief report on the status of the current plan. The report details any changes to the current plan or indicates that there are no changes.**

KRLS continues to work with the current strategic plan with no changes to the plan.

☐ **A brief update on the status of developing a new plan.** Please include planning activities completed to date and a time frame for completion. The approved strategic plan is due to State Library Services by December 31, 2022.

7. Proposed Program Activities:

Regional Library Basic System Support is given to support services that include but are not limited to: communication among participants, resource sharing, delivery of materials, reciprocal borrowing, and cooperative reference service.

At a Glance – Please summarize your plans for State FY2023 in a few sentences:

Briefly describe the programs that will take place during FY2023, using the format below.

Programs identified in this section should reflect the budget, provisions of the organizational agreements and your organization's strategic plan. Possible program areas include but are not limited to, automation systems, databases, program development, ebooks, professional development, and interlibrary loan/delivery.

For at least one and up to five programs, please include these four components, limiting the narrative for each activity to 200-250 words:

- Please describe the goal(s) of this program.
- How will this program contribute to your organization's mission and strategic plan goals?
- Who will be served by this program?
- Please describe this program's proposed activities.
- How will these activities help to achieve your program goal?

1. Kitchigami will continue to provide centralized service and support activities necessary to the operations of a consolidated regional public library system. These include the critical administrative tasks of human resources management and reporting, bookkeeping, operational necessities of delivery, interlibrary and intraregional lending, acquisitions, cataloging and maintenance of the region's integrated library system.

2. Program of note 1: KRLS will continue the process of moving forward with our newly-implemented integrated library system, including staff training and continued monitoring and maintenance of our catalog and updating of our staff processes / procedures.

3. Program of note 2: KRLS works to improve marketing efforts across the region to ensure that our patrons know of our services and resources and how to access them, as directed in our strategic plan.

8. List local governmental units (cities and counties with branch or member libraries) participating in the region as of June 30, 2022, **and the amount of funding that the governmental unit provided** for operating purposes of public library service during the preceding year. *This information is used to determine compliance with state-certified level of library support requirements (Minnesota Statutes 134.34).*

Beltrami County

\$390,729

City of Bemidji	\$201,597
City of Blackduck	\$23,591
Cass County	\$365,397
City of Cass Lake	\$18,406
City of Longville	\$20,145
City of Pine River	\$33,977
City of Walker	\$22,892
Crow Wing County	\$509,127
City of Brainerd	\$133,769
Hubbard County	\$212,605
City of Park Rapids	\$86,916
Wadena County	\$96,227
City of Wadena	\$107,340

9. If a participating governmental unit (city or county with branch or member library) has changed its library levy status (i.e., city levy transferred back to county levy, moved from associate, unaffiliated or stand-alone status to full membership status, etc.), please specify governmental unit, status change and effective date:

NA

10. Please list names of all nonparticipating (unaffiliated or stand-alone) public libraries that are not a member of this designated regional public library system:

Jessie F. Hallett Memorial Library, City of Crosby

11. Please provide contact information, name and location of any new libraries completed or any buildings that underwent substantial remodeling in the last calendar year.

NA

B. Assurances

The regional public library system assures that it will comply with the following:

1. Funds shall be used only for purposes for which granted as specified in the approved grant application or approved by the Director of State Library Services in an amendment to the original application submitted under provisions of Minnesota Rule, 3530. Approval by the Director of State Library Services shall be obtained for expenses in a category that reflect more than a 10% change from the proposed budget in the approved application.
2. A narrative report indicating program or project results accomplished and a report of expenditures shall be filed with State Library Services on forms supplied by the State Library Agency no later than 90 days after the completion of the project or program, or the end of the state fiscal year, whichever is earlier, provided that such period shall not be less than 90 days. (Minnesota Rule, 3530.0200, subdivision 4(B)).
3. If participation by a regional public library system or a member local governmental unit is discontinued, ownership of the discontinuing system's or unit's assets, including cash or the fair market value thereof of such assets cannot be transferred by the applicant, if acquired during the last three years of participation from Regional Library Basic System Support funds, and shall revert to the Minnesota Department of Education for reassignment for library services elsewhere. (Minnesota Rule, 3530.0200, subdivision 4(C)).
4. The provisions of Title VI of the Civil Rights Act of 1964, (42 USC Sec. 2000d et seq.), its regulations and all other applicable federal and state laws, rules and regulations. (Minnesota Rule, 3530.0200, subdivision 4(D)).
5. That the regional public library system and its branches/members are in compliance with Minnesota Statutes 2004, section 134.50 (a) so that all public library computers with access to the Internet available for use by children under the age of 17 must be equipped to restrict, including by use of available software filtering technology or other effective methods, all access by children to material that is reasonably believed to be obscene or child pornography or material harmful to minors under federal or state law, and section (c) so that the library prohibits, including through the use of available software filtering technology or other effective methods, adult access to material that under federal or state law is reasonably believed to be obscene or child pornography.
6. That the regional public library system and its branches/members are in compliance with Minnesota Laws 2000, Chapter 492, Article 1, Section 49, Subd. 5A, and has adopted a policy to prohibit library users from using the library's Internet access workstations to view, print, or distribute material that is obscene within the meaning of Minnesota Statutes 1998, Chapter 617, Article 241.
7. An independent auditor's report of the systems' general purpose financial statements in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The audit shall be submitted no later than 180 days after the close of the system's fiscal year. (Minnesota Rule, 3530.1200)

C. Signature Page

I certify that I have read the application (narrative, assurances, budget and attachments) and will comply with all provisions including any additional state, local, federal regulations and policies governing the funding that apply to my agency.

Signature:

Printed Name: Tom Conway
Chair, System Governing Board

Date:

I certify that I have read the application (narrative, assurances, budget and attachments) and will comply with all provisions including any additional state, local, federal regulations and policies governing the funding that apply to my agency.

Signature:

Printed Name: Melissa Whatley
Regional Public Library System Administrator

Date:

D. Attachments and Due Date

- FY 2023 Proposed Budget (required): Please indicate how you plan to spend state aid dollars.
- Strategic Plan Document (required) – not submitted, required in even numbered-years only
- Organizational Agreements (as needed)

Applications are due **Friday, July 1, 2022**. Please submit one PDF of the signed original application to hannah.buckland@state.mn.us.

Regional Library System Name: KRLS
State Fiscal Year 2023
Proposed Budget

2023	
Personnel Expenses	
Salaries and Wages	\$412,411
Benefits	\$78,312
Staff Development, Tuition and Other Reimbursements	\$10,000
Total Personnel	\$500,723
Total FTE Supported	6.5
Operating Expenses	
Telephone (voice and data)	\$50,000
Telecommunications	\$8,500
Computer Software and Software Licensing	
Other Technology Equipment	
Printing and Copying	
Postage and Delivery	
Travel and Mileage	
Rent	
Operating Leases or Rentals	
Utility Services	\$9,500
Repairs and Maintenance Services	\$5,000
Insurance	\$6,700
Dues and Memberships	
Audit	\$15,000
Board expenses, including per diem	
Materials and Supplies	
Other (please specify)	
Total Operating Expenses	\$94,700
Program Expenses	
Consulting Fees/Fees for Services	
Services Purchased from Other MN Joint Powers Agencies	
Automation System	\$30,980
Delivery	
Vehicles	
Equipment	
Travel and Mileage	
Scholarships/Direct Member support	
Library Materials and Collections	\$21,000
Communications and Marketing	
Staff Development	\$8,000
Materials and Supplies	\$20,000
Workshops and Events	
Other Contracted services	
Food and Beverages	
Other (please specify)	
Total Program Expenses	\$79,980
Total Anticipated State Aid Expenditures	\$675,403

6b Arts and Cultural Heritage Fund (ACHF) FY 2023 Application

Action Request: That the Board approve submission of the ACHF FY 2023 application with the necessary signatures.

The application for FY23 ACHF funding is attached. Allotment calculations partly rely on population data from the State Demographic Center, which is not available until July 15 or later. It has been requested to submit the budget narrative based on FY22's figures and amend once the updated figures are released.

Purpose:

"The purpose of the grant is to provide educational opportunities in the arts, history, literary arts, and cultural heritage in order to expand arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage."



ARTS AND CULTURAL HERITAGE FUND (ACHF) Regional Library System Application Narrative Form State Fiscal Year 2023 (July 1, 2022 – June 30, 2023)

The regional library system named below applies for funds as authorized and provided for in [Minnesota Session Laws-2021, 1st Special Session, Chapter 1, Article 4, Section 2, Subdivision 6](#).

A completed application, due July 29, 2022, 5 p.m., includes:

- This narrative form including assurances with signature(s) (pdf)
- Completed budget form (Excel spreadsheet)

Please submit the signed original application documents to [Ashley Bieber](#) at State Library Services.

Regional library system name and address:

Kitchigami Regional Library System

PO Box 84, 310 2nd St. N

Pine River, MN 56474

Name, phone, and email address of regional library system administrator:

Melissa Whatley, 218-587-2171 x222, whatley@krls.org

Name, phone, and email address of regional library system ACHF program coordinator:

Carol Christensen, 218-587-2171 x224, christensenc@krls.org

Name, phone, and email address of regional library system finance manager:

Patricia Kline, 218-587-2171 x225, klinep@krls.org

Regional library system DUNS Number:

92793827

AUTHORIZED SIGNATURES

The information in this application is true and correct to the best of our knowledge. We understand and agree to comply with the Arts and Cultural Heritage Fund grant program assurances and all other applicable state policies.

Signature _____

Printed Name **Tom Conway**

Chair, Regional Library System Governing Board

Date **7/21/2022**

Signature _____

Printed Name **Melissa Whatley**

Regional Library System Administrator

Date **7/21/2022**

ARTS AND CULTURAL HERITAGE FUND

Regional Library System Grant Program Assurances

The regional library system assures that it will comply with the following:

1) **Use of Funds** - Funds shall be used only for purposes specified in the approved grant application or approved by the director of State Library Services in an amendment to the original application submitted under provisions of Minnesota Rules, [Chapter 3530](#). The purpose of the grant is to provide educational opportunities in the arts, history, literary arts, and cultural heritage in order to expand arts, arts education, and arts access and to preserve Minnesota's history and cultural heritage. These funds may be used to sponsor projects provided by regional public libraries, or to provide grants to local arts and cultural heritage programs for projects in partnership with regional public libraries. A recipient may not incur expenses on the grant award prior to the execution of the grant agreement.

Funds may not be used for the benefit of state employees, which includes, but is not limited to, reimbursement for any of their expenditures, including travel expenses, alcohol purchases, costs of registration fees for training sessions or educational courses presented or arranged, payments to state employees for presentations at workshops, seminars, etc., whether on state time, vacation time, leave of absence or any other non-work time.

Reimbursement for travel and subsistence expenses actually and necessarily incurred by grantee in performance of this project will be paid provided that the grantee shall be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than in the current "[Commissioner's Plan](#)," promulgated by the Commissioner of Minnesota Management & Budget (MMB).

2) **Terms of Acceptance** - These funds are granted to the Regional Library System under (session law) and in accordance with Minnesota Statutes [16B.97](#) Grants Management and [16B.98](#) Grants Management Process requirements. By accepting an award the Grantee agrees to comply with all provisions of the award including all assurances and certifications made in this application and in the executed Official Grant Award Notification (OGAN), and all applicable state or federal statutes, regulations, and guidelines. The Grantee agrees to administer the program in accordance with the approved application, budget, timelines, and other supplemental information submitted in support of the approved application. Grant goals and objectives should be carried out in accordance with the guidelines established by the Minnesota Department of Education. The Constitutional Amendment (Article XI, section 15) of the Minnesota Constitution that established the grant program states that ACHF must supplement traditional sources of funding, and may not be used as a substitute or to supplant existing funding sources.

3) **Grant Agreement Components** - The grant agreement between the regional library system and MDE consists of the signed application and budget (including assurances), Official Grant Award Notification (OGAN), and the MDE Arts and Cultural Heritage Fund Grant Guidelines. The Grantee shall comply with all required grants management policies and procedures under Minnesota Statutes, [Chapter 16B.97](#) except when superseded by specific instructions contained herein.

4) **Payments** - Payments will be distributed in ten equal payments beginning in fall 2022.

5) **Program Reporting** - Reports summarizing grant activities and outcomes, including any data collected, requested or related to the grant program are due to MDE as follows:

a) **Interim Progress Reports** including 1) an executive summary of accomplishments, and 2) a spreadsheet with details about each of the projects paid for with funds from state fiscal year 2022 are due to MDE by September 30 of each year of the grant.

b) A **Completion Report** must be submitted within 90 days of fully expending your state fiscal year 2023 allocation, or by **July 30, 2025**, whichever comes first. A Completion Report includes but is not limited to 1) a final executive summary of accomplishments, including any data requested; 2) a spreadsheet with details about each of the projects paid for with funds from the identified fiscal year; and 3) other materials as requested by MDE program staff or required by the state funding source.

c) Information in the Completion Report is cumulative with Interim Progress Reports. A Completion Report updates and adds to previously submitted Interim Progress Reports, and closes out the spending of the state fiscal year 2023 allocation by itemizing, on a project by project basis, how the total allocation was spent.

6) **Financial Reporting - Financial Reporting Forms** summarizing grant expenditures shall be submitted in the form and manner prescribed by MDE, as follows:

a. Financial Reporting Forms shall be submitted quarterly and separately for each grant year until all funds are expended through the end of grant term, as follows:

Time period	Due date
September 1, 2022 – December 31, 2022	January 31, 2023
January 1, 2023 – March 31, 2023	April 30, 2023
April 1, 2023 – June 30, 2023	July 31, 2023
July 1, 2023 – September 30, 2023	October 30, 2023
October 1, 2023 – December 31, 2023	February 1, 2024
January 1, 2024 – March 31, 2024	April 30, 2024
April 1, 2024 – June 30, 2024	July 30, 2024

b. The Grantee must track the ACHF grant budget and expenditures separately from other organization budgets.

7) **Budget Revisions** - The Grantee must receive prior written approval from MDE for any budgetary changes of approved line item amounts greater than 10% of the total grant award available for expenditure during the grant period. Total budget line item deviations exceeding 10% of the total award must be approved in writing by MDE prior to incurring the expenditure. In its request for approval, the Grantee must include supporting information to justify why the change is necessary. MDE is not legally obligated to approve expenditures incurred on budget line item changes that exceed 10% of the total award for which prior approval has not been granted. The Grantee may not incur expenditures within a budget line item that is not included in the approved budget without the written approval of MDE.

8) **Continuation of Future Funding** - Continuation of future funding is contingent upon satisfactory performance. The Grantee is responsible for:

- Submitting statutorily-compliant reports in a timely manner.
- Ensuring all ACHF-funded projects comply with ACHF intent, goals and desired outcomes.
- Satisfying all applicable ACHF requirements.
- Submitting an application with work plan and budget for Fiscal Year 2023 ACHF funds.

9) **Discontinuation of Participation** - If participation by a regional library system or a member local governmental unit is discontinued, ownership of the discontinuing system's or unit's assets purchased with Arts and Cultural Heritage Funds, including cash or the fair market value of such assets, cannot be transferred by the applicant and shall revert to the Minnesota Department of Education (MDE) for reassignment for library services elsewhere. (Minnesota Rules, [Chapter 3530.0200](#), Subp. 4(C).

10) **Cancellation**

- a) **Cancellation With or Without Cause.** An award contract may be cancelled by the state at any time, with or without cause, upon thirty (30) days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed and for approvable expenditures.
- b) **Cancellation Due to Discontinued or Insufficient Funding.** It is expressly understood and agreed that in the event the funding to the state from appropriations by the Minnesota Legislature is not obtained and/or continued at an aggregate level sufficient to allow for the Grantee's program to continue operating, the grant shall immediately be terminated upon written notice by the state to the Grantee. The state is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Grantee will be entitled to payment, determined on a pro-rata basis, for services satisfactorily performed and approvable expenditures incurred prior to termination to the extent that funds are available. The state will not be assessed any penalty if the grant is terminated because of a decision of the Minnesota Legislature not to appropriate funds. The state must provide the Grantee notice within a reasonable time of the state receiving notice.
- c) **Cancellation Due to Failure to Comply.** The state may cancel an award contract immediately if the state finds that there has been a failure to comply with the provisions of an award, that reasonable progress has not been made, or that the purposes for which the funds were awarded/granted have not been or will not be fulfilled. The state may take action to protect the interests of the state of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.
- d) **In the event of any cancellation,** the state will recover any unexpended funds that have not been accounted for in an accepted financial report to the State.

11) **Conditions of Payment**

- a) The Grantee must comply with the Minnesota Constitution, [article XI](#), section 15, and may not substitute money received from the Arts and Cultural Heritage Fund for a traditional source of funding.
- b) The Grantee must promptly return to the state any unexpended funds that have not been accounted for annually in a financial report to the state due at grant closeout.
- c) **Payments to individuals:** The Grantee must ensure that every individual receiving money from this grant in exchange for work, services, performances or participation, complete IRS form W-4, W-8 or W-9, depending upon the individual's employment or citizenship status. All payments to individuals must comply with federal and state tax laws and reporting requirements.

12) **Amendments** - Any amendments to this award shall be in writing and shall be executed by the same parties who executed the original award, or their successors. An amendment must be requested 45 days prior to the end date of the award period and is valid and effective upon written approval from the MDE Authorized Representative or their delegate. No amendments will be considered on expired grant awards.

13) **Civil Rights Act** - The provisions of Title VI of the Civil Rights Act of 1964, (42 USC Sec. 2000d et seq.), its regulations and all other applicable federal and state laws, rules and regulations. (Minnesota Rules, [Chapter 3530.0200](#), Subp. 4(D).

14) **Internet Safety** - The regional library system and its members/branches are in compliance with *Minnesota Laws 2000, Chapter 489, Article 6, Section 27*, section (a) so that all public library computers with access to the Internet available for use by children under the age of 17 restrict, including by use of available software filtering technology or other effective methods, all access by children to material that is reasonably believed to be obscene or child pornography or material harmful to minors under federal or state law, and section (c) so that the library prohibits, including through the use of available software filtering technology or other effective methods, adult access to material that under federal or state law is reasonably believed to be obscene or child pornography.

The regional library system and its members/branches are in compliance with *Minnesota Laws 2000, Chapter 492, Article 1, Section 49, Subd. 5A*, and has adopted a policy to prohibit library users from using the library's Internet access workstations to view, print, or distribute material that is obscene within the meaning of *Minnesota Statutes 2018 Chapter 617, Article 241*.

15) **Audits** - An independent auditor's report of the regional library system's general purpose financial statements in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States shall include audit of the Arts and Cultural Heritage funds as a unique categorical fund account. The audit shall be submitted no later than 180 days after the close of the system's fiscal year. (Minnesota Rules, [Chapter 3530.1200](#)).

Financial Reconciliations/Monitoring and Supporting Documentation

- a) **A financial reconciliation or desk review** of reported expenditures to supporting documentation will occur at least once during the award period on grants that exceed \$50,000. MDE will request supporting documentation for review and reconciliation of at least two (2) budget line item expenditures based on a Financial Reporting Form submitted by the Grantee.
- b) In the event **a monitoring visit(s)** is required by MDE, the Grantee shall cooperate with MDE and shall comply with MDE's requests for documentation and other information, before, during and/or after the visit(s).
- c) Financial documentation to support expenditures incurred under this award must be maintained by the Grantee and provided to MDE upon request. The Grantee's books, records, documents and accounting procedures and practices of the Grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years from the grant agreement end date. (Minnesota Statutes §16B.98, Subdivision 8)

State and Federal Audits The books, records, documents and accounting procedures and practices of the Grantee shall be subject to examination by state or federal auditors, as authorized by law. Minnesota Statutes, [Chapter 16C.05](#), subd. 5, requires the state audit clause be in effect for a minimum of six years. Federal audits shall be governed by requirements of federal regulations.

- a) Under Minnesota Statutes, [Chapter 16B.98](#), Subd. 8, the Grantee's books, records, documents, and accounting procedures and practices relevant to this grant contract are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of the grant contract end date, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.
- b) If the Grantee (in federal OMB Circular language known as "subrecipient") receives federal assistance from the state of Minnesota, it will comply with the Single Audit Act of 1984 as amended and [OMB circular A-133](#), "Audits of States, Local Governments and Non-Profit Organizations" for audits of fiscal years beginning after June 30, 1996; or,
- c) The Grantee will provide copies of the single audit reporting package (as defined in A-133 section 320(c)), financial statement audits, management letters and corrective action plans to the state, the Office of the State Auditor, Single Audit Division or Federal Audit Clearinghouse, in accordance with [OMB A-133](#).

Examination and Audit of Accounts and Records The state or its representative shall have the right to examine books, records, documents and other evidence and accounting procedures and practices, sufficient to reflect properly all direct and indirect costs and the method of implementing the award. The Grantee shall make available at its office and at all reasonable times before and during the period of record retention, proper facilities for such examination and audit.

16) Subgrantees/Subcontractor/Consultant Services - If the Grantee deems it necessary to contract with outside resources for service delivery, consulting services or technical assistance, a formal agreement must be drawn. The negotiated fees should be reasonable and align with current costs for similar work. The contract executed with each contractor should not allow for work or obligations to begin before the executed date of this grant project and the contract should not extend beyond the end date of the grant project. The work duties should be clearly defined and should explain what initiative the work is related to and the outcome expected from the contractor including due dates for drafts, etc. The contract should outline the payment and invoicing terms. If travel expenses are included as part of the contract terms, maximum travel reimbursement costs should not exceed the [Commissioner's Plan](#). Receipts for travel reimbursements should be submitted along with expense reimbursement requests and invoices prior to reimbursements. The inclusion of a cancellation clause in contracts is recommended. A copy of the contract agreement is to be retained by the Grantee.

The grant agreement for local units of government incorporates the requirements of Minnesota Statutes, [Section 471.345](#).

The grant agreement for nongovernmental organizations incorporates these best practices:

- a) Any services and/or materials that are expected to cost \$20,000 or more must undergo a formal notice and bidding process.
- b) Any services and/or materials that are expected to cost between \$10,000 and \$19,999 must be scoped out in writing and offered to a minimum of three (3) bidders.

- c) Any services and/or materials that are expected to cost between \$5,000 and \$9,999 must be competitively based on a minimum of three (3) verbal quotes.
- d) Support documentation of the bidding process utilized to contract services must be included in the Grantee's financial records, including support documentation justifying a single/sole source bid, if applicable.
- e) For projects that include construction work of \$25,000 or more, prevailing wage rules apply per Minnesota Statutes, [Chapters 177.41](#) through [177.44](#) consequently, the bid request must state the project is subject to *prevailing wage*. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals.

17) **Liability** - Grantee agrees to indemnify and save and hold the State, its agents and employees harmless from any and all claims or causes of action, including all attorneys' fees incurred by the State arising from the performance of the award by Grantees, agents or employees. This clause shall not be construed to bar any legal remedies Grantee may have for the state's failure to fulfill its obligations pursuant to the award and subsequent awards.

18) **Use of Works and Documents** - Grantee owns any works or documents developed by the Grantee, its employees, agents, subcontractors, either individually or jointly with others in the performance of this contract unless otherwise negotiated by the Grantee with its subcontractor(s). The State will have royalty free, non-exclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the works or documents for government purposes.

Definitions. *Works* means all inventions, improvements, discoveries (whether or not patentable or copyrightable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this contract. *Works* includes "*Documents*." *Documents* are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents or subcontractors, in the performance of this contract.

19) **Publicity** - Any publicity regarding the subject matter of this grant contract must comply with Minnesota Laws, 2011, 1st Special Session, [Chapter 6](#), Article 5, Section 5 which amended Minnesota Statutes, [Chapter 129D.17](#) subd. 2(g) to require use of the Arts and Cultural Heritage Fund logo when practicable. All projects funded by the ACHF must publicly credit the fund, including on the Grantee's website when practicable. Publicity and logo guidelines are detailed on the [Legacy website](#). The Grantee must not claim that the State endorses its products or services.

20) **Conflict of Interest** - In accordance with the Minnesota Office of Grants Management [Policy 08-01](#), the Grantee will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or present the appearance of personal or organizational conflicts of interest, or personal gain.

21) **Government Data Practices** - The Grantee and the State must comply with the Minnesota Government Data Practices Act, Minnesota Statutes, [Chapter 13](#), as it applies to all data provided by the State under the award, and as it applies to all data created collected, received, stored, used, maintained or disseminated by the Grantee under the award. The civil remedies of Minnesota Statutes, [Chapter 13.08](#) apply to the release of the data referred to in this paragraph by either the Grantee or the State. If the Grantee receives a request to release the data referred to in this paragraph, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released.

22) **Data Disclosure** - Under Minnesota Statutes, [Chapter 270C.65](#), and other applicable law, the Grantee consents to disclosure of its SWIFT Vendor ID Number, Social Security number, DUNS number, federal employer tax identification number and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

23) **Worker's Compensation** - Grantee certifies that it is in compliance with Minnesota Statutes, [Chapter 176.181](#), subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered state employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility. (Exemption/Waiver as allowed under law.)

24) **Governing Law, Jurisdiction and Venue** - Minnesota law, without regard to its choice-of-law and provisions, governs the award. Venue for all legal proceedings arising out of the award, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

25) **Pre-Award Work and Pre-Award Costs** - The grantee understands that no work should begin and no pre-award costs would be covered under this award until all required signatures have been obtained; an Official Grant Award Notification (OGAN) has been issued or other award documentation has been received and the grantee is notified to begin work by the state's program authorized representative or their designee. If an exception to this is determined necessary by MDE, the grantee would be informed in writing or email by the state's program authorized representative or designee.

26) **Grantee's Grant Program Representative** - The applicant's Program Contact Representative will be named on the OGAN or other award information. If the Program Contact Representative or official with authority to sign changes at any time during the grant award period, the applicant/grantee must immediately notify the state.

ARTS AND CULTURAL HERITAGE FUND

Regional Library System Grant Program Application

1. Please describe how your regional library system anticipates using its state fiscal year 2023 ACHF allocation to achieve the goals of the [ACHF legislation](#), which are to provide educational opportunities in the arts, history, literary arts and cultural heritage of Minnesota.

KRLS plans to use ACHF funding to provide educational and cultural programs throughout the Region in four main categories: History Alive, Words and Music, Kitchi Reads/Kitchi Writes, and Kitchi Creates. There will be Region Wide tours which will visit four or more of our locations and some local programs which will be put on at one to three locations. These programs will provide a quality experience for members of our Region who may not be able to experience these types of programs otherwise due to our rural location. Some of the programs may be hosted at local schools, community centers, or senior centers to better serve a community's needs. These programs will allow our communities to learn and interact through various cultural programs and experiences.

2. Will your organization use ACHF funds for administrative costs? Please check yes or no.

☒ Yes ☐ No

If yes, please identify the amount you anticipate spending on administration on the budget form. Please briefly describe how your organization's ACHF administrative funds are used:

Administrative costs will go towards our Bookkeeper who maintains and keeps track of the accounting for ACHF, and staff other than the Legacy Coordinator involved in overseeing programs and writing applications for programming.

3. Does your organization intend to subgrant ACHF Funds? Please check yes or no.

☐ Yes ☒ No

If yes, please identify the amount you anticipate subgranting under "Other" on the budget form. Please briefly describe your organization's subgranting process(es).

4. Authorizing legislation requires recipients to measure the outcomes of ACHF projects. Expected outcomes are described in the [Legislative Guide](#). These include, but are not limited to:
 - Arts, culture and history will be interwoven into every facet of community life.
 - Increased Minnesotans of all ages, ethnicities, abilities and incomes who participate in the arts, culture and history.
 - Increased student exposure to professional performing arts, and the work of professional artists.
 - Increased knowledge and awareness of the way that history affects people's lives and how that knowledge can help people make informed decisions for the future.

Outcomes of ACHF projects must be reported to the Legislative Coordinating Commission for inclusion on the [Legacy website](#). Required reporting asks for both proposed and realized outcomes as well as participation/attendance.

Briefly describe how you plan to establish, track and measure outcomes for ACHF projects based on reporting requirements. Indicate how you will evaluate success in achieving ACHF outcomes as described on page 11 of the ACHF [Legislative Guide](#).

The number of attendees will be recorded for each event. Paper surveys will be at each event for attendants to rate their experience, quality of the program, and if they gained any knowledge from attending. They can also leave comments if desired. Staff observation of programs and projects will also be considered. Survey results will be collected, compiled, and analyzed to ensure that programs were educational for our communities.

5. Please share any additional information about how the Arts and Cultural Heritage Fund will contribute to your capacity to offer arts, history, literary arts and cultural heritage learning experiences to Minnesotans.

Our capacity to provide arts, history, and literary arts and cultural heritage learning experiences to Minnesotans is greatly expanded because of ACHF. Our Region is very rural, so having the funding to provide high quality cultural programming allows opportunities to increase cultural awareness throughout our communities. These funds allow us to bring local and professional artists, musicians, historians, authors, and much more to our communities that may not have access to this kind of programming otherwise. This funding enables KRLS to provide much needed and much appreciated high-quality, educational programming and experiences to communities throughout the five counties.

Thank you for completing the FY2023 ACHF application.

**ARTS AND CULTURAL HERITAGE FUND (ACHF)
REGIONAL LIBRARY SYSTEM
BUDGET APPLICATION FORM**

State Fiscal Year 2023 (July 1, 2022-June 30, 2023)



Regional library system name: Kitchigami Regional Library System

Full-time equivalents (FTE) funded with ACHF :

Use the total FTE represented by all regional library system staff--both program administration and other--who will be paid using ACHF. Calculated as total # hours planned divided by 2,080.

Budget items (used to create Financial Reporting Form)	FY23 Estimated Expenditures	Notes
Administration	\$5,325.57	
Statewide initiative (up to 10%)	\$0.00	
Other (auto sums from info entered below)	\$101,185.91	
TOTAL	\$106,511.48	

Other estimated expenses (will be included above)	FY23 Estimated Expenditures	Notes
Contracted services	\$85,913.83	
Personnel	\$15,272.08	
Subgrants	\$0.00	
<i>(Other--please specify; insert rows as needed)</i>	\$0.00	
Total Other	\$101,185.91	



MINUTES

Council - Work Session Meeting

6:00 PM - Monday, July 25, 2022

City Hall, 8 Summit Drive, Blackduck MN

The Council - Work Session of the City of Blackduck was called to order on Monday, July 25, 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 Nicholas Seitz, Councilor Donald Johnson, Councilor Laurie Hamilton, and Council member Ronald Fredrickson

COUNCILORS EXCUSED:

STAFF PRESENT: City Administrator Christina Regas and Assistant Liquor Store Manager Melissa Gullette

OTHERS PRESENT:

1 CALL TO ORDER

- a) Call to Order
Roll was taken of those present to the meeting.
- b) Pledge of Allegiance
Mayor Gullette dispensed with the pledge of allegiance.

2 APPROVAL OF AGENDA

- a)

Nicholas Seitz moved to approve the agenda as presented Laurie Hamilton seconded the motion.

Carried 5 to 0

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

3 OLD BUSINESS

- a) Public Works / Public Safety Facility Updates & Funding Recap
Regas reported on the progress meeting from July 14, 2022 and presented the council with a summary of funding spent to date on the project and answered questions relating to the project costs. Nothing further.
- b) American Rescue Plan Act Funding - Recommendation to transfer funds to Reserve fund

Regas recommended approving the transfer of ARP funding to the General Fund Reserve account at the August 8, 2022 regular meeting. Nothing further.

c) Blackduck Stump jumpers Project -
Final Pay Application Submission

Regas reported final submission for reimbursement of the DNR grant was sent and reviewed the current position of the snowmobile club construction of the parking lot. Regas further provided insight into the delay of the lease agreement pending updates to the existing structure on the property. Regas stated the intent of the club to make updates to the structure to utilize it for future storage of machinery. Regas answered questions regarding the process from the council. Nothing further.

d) Downtown Redevelopment Project - Parcel Combination Request - Public Hearing
Called 8/22/2022 & Updates

Regas provided a report on the project demolition status; any issues that have come up to date; and reports the planning commission agreement to start the parcel combination process for future development. Councilor Hamilton asked if water issues from Anderson Fabrics Outlet will continue for new builders coming in to develop. Regas stated the new development will need water runoff control and existing structures will need to address current water runoff for the location be developed. Regas requested the council approve the recommended date for a public hearing for the combination process on August 22. Regas answered additional questions from the board regarding the project and the parcel combination process. Nothing further.

e) City Sales Tax

Regas reported the final date to provide to Beltrami County an approved resolution have the voters approve the city sales tax in the 2022 General election is August 26, 2022 if a Special Session is called by Governor Waltz. Regas reports City Attorney will be drafting the resolution for approval and stated Mayor Gullette will need to call a Special Meeting to approve the resolution on August 22, 2022 prior to the regular scheduled work session. Councilor Johnson and Councilor Hamilton both stated their knowledge of the Governor potentially calling a special session as several 'groups' are pushing the legislature to return to work. Mayor Gullette agreed to the date and plan of action to put the question on the ballot in November. Nothing further.

f) Kitchigami Regional Library Capital Appropriation Project - Update

Regas provided a letter drafted from City Attorney Langel to send to Deerwood Bank for intent to purchase the old bank building for the library with contingencies. Regas requested council support to send the letter to VP Grant Frenzel to continue the process. Councilor Fredrickson asked if a sight inspection will take place pending purchase of the building. Regas stated the language for an inspection is included in the letter. Council members agreed to send the letter to Deerwood Bank for further action. Nothing further at this time.

g) Blackduck Limited DMV

Regas reported reaching the Director of DVS Division recently and learned of several reasons why notification to the City of Blackduck was not provided. Regas stated the Director scheduled a meeting this week with the Commissioner of DPS whom has the sole authority to approve or deny DMV requests and Director Xiong would provide Regas with a decision later in the week. Nothing further.

h) Cemetery Vault Upgrades

No updates at this time.

i) Moon / Pafko Performance Stage - updates

No updates at this time.

j) City of Blackduck Property Annexation Process - updates

Regas reported the City Attorney has the resolution drafted to send to the Office of Administrative Hearings and has to finish reviewing the parcel deeds for the ponds property and the campground before sending it on. Nothing further.

k) April 2022 Beltrami County State of Emergency Flooding Event & MN Homeland Security & Emergency Mgmnt - updates

Regas reported FEMA has approved Beltrami County request for declaration and entities will be reimbursed 75% from FEMA and 25% from State of Minnesota for Flooding damage. Regas has the reports from FEMA to submit and will begin work with public works to report manpower, materials, and use of machinery to complete needed repairs. Councilor Johnson noted his road had erosion and was not listed on the site report to FEMA. Regas apologized for the 'miss' of Carl Ave. SW and stated there may be potential to make corrections to the road and still be reimbursed from FEMA. Nothing further.

l) Blackduck Fire Department Chassis Purchase - RDO Truck Center - update

Regas reported the deposit for the Chassis has been sent to RDO Truck Center. Nothing further at this time.

m) Well #8 & Well #5 repairs - update

No updates at this time.

n) Personnel Committee Report - Liquor Store payroll update

Regas reported decisions of the Personnel Committee to address the payroll budget of the liquor store noting management reducing 50 weekly scheduled hours; reducing overlap of shifts; & adjusting shifts to later in the day. Regas further stated the committee discussed in detail the costs and benefits to having 5 full-time benefited employees and acknowledged the expense. Regas stated the committee will be reviewing the expenses and revenue of the department in a committee meeting scheduled for September 8th, 2022. Mayor Gullette asked Regas how the 'feeling' is on the issue. Regas stated she has spent over 19 years in retail management and any manager knows that when money is tight the first thing that is cut is payroll. Businesses need to do twice the work in half the time; efficiency is key and if someone isn't pulling their weight then that has to be considered. Councilor Hamilton stated that has been the food and beverage market forever. Regas stated that if the business was privately owned that would be the first consideration too. Regas further stated the Pond is entering into the busiest season of the year much like Black Friday - Woodcarver's Festival and Backwoods Bash and Deer Season are the most staffed time for the department. Nothing further at this time.

4 NEW BUSINESS

a) City of Blackduck Drug & Alcohol Testing & Drug-Free Workplace Act Policy for Non-Dot Employees - Revision

Regas reported the beginning processes on revising the City of Blackduck Drug and Alcohol Testing and Drug-Free Workplace Policy due to change of Minnesota law and cannabis and hemp use. Regas reviewed how utilizing the League of MN Cities Model Policy in conjunction with the current City policy and provided recommended revisions. Board members had questions regarding some of the existing language and Regas fielded those questions. Regas further stated that a draft would be sent to the City Attorney for final review before adoption. Councilor Johnson asked how residual 'highs' can be reported on to supervisors if someone has been using. Councilor Hamilton stated that it's the behavior that is reported on - the suspicion is different. Regas further stated the City always provided the policy for pre-employment screening and all staff is aware the restrictions. Councilor Hamilton further stated that there is prescription medication that people can't operate machinery if prescribed. The board members agreed there would additional updates to review prior to adoption by the council. Nothing further at this time.

- b) State of Minnesota Joint Powers Agreement between Department of Public Safety, BCA and the City of Blackduck Police Department - renewal
Regas stated the council will be approving a resolution and renewal of a Joint Powers Agreement between DPS - BCA and the Blackduck PD at the August regular meeting.
- c) Finance Committee Meetings for 2023 Levy Process - Schedule - August 11, 2022 @ 3- 2pm - City Hall (every other Thursday after)
Regas provided a preliminary schedule for the 2023 Budget Finance meetings for the committee to attend. Councilor Seitz requested the time be moved up to 2pm instead of 3pm. Nothing further at this time.
- d) Other New Business - Regas provided updates on the following new business items -
 - 1. HCF Voting - Regas stated the Healthcare Facility Voting for the primary election would be scheduled on August 2 and would require City Hall closing part of that day.
 - 2. HRA 2022 Levy update - Regas stated the levy for the HRA was not deposited corrected when stated in the July regular council meeting. Regas provided a corrected report to the City Council for review.
 - 3. Blackduck City Council updated group photo - Regas requested the board remain after adjournment for a group photo for the new website.
 - 4. Greater Bemidji Board to attend Council meeting - Regas reports attending a meeting with Greater Bemidji board members and Dave Hengel stating the board's interest in attending a city council meeting to bridge the relationships with Blackduck. Regas states Hengel and the board members are very interested in assisting Blackduck with economic growth and promotion noting the service Greater Bemidji provides the entire county. Mayor Gullette stated Mayor Prince from Bemidji would be in attendance as well.

5 ADJOURNMENT

a)

Laurie Hamilton moved to adjourn the meeting at 7:47pm Donald Johnson seconded the motion.

Carried 5 to 0

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

Christina Regas, City Administrator

Maxwell Gullette, Mayor

August 8, 2022

FUND	Deerwood Checking BEGINNING BALANCE		Bill Report through 08/8/2022 <i>(includes transfers & loan payments listed below)</i>		Deerwood Checking ENDING BALANCE		Deerwood First Preferred Savings BEGINNING BALANCE		Deerwood First Preferred Savings Bill Report through 08/8/2022		Deerwood First Preferred Savings ENDING BALANCE		Total Balance of all Accounts
GENERAL (101)	\$249,341.62		\$105,422.14		\$143,919.48		\$79,053.95		\$0.00		\$79,053.95		
POLICE RESTRICTED CASH	\$21,129.09		\$0.00		\$21,129.09		\$0.00		\$0.00		\$0.00		
CEMETERY (201)	<i>(\$3,209.22)</i>		\$669.28		<i>(\$3,878.50)</i>		\$2,489.64		\$0.00		\$2,489.64		
PERPETUAL CARE (202)	\$11,679.09		\$0.00		\$11,679.09		\$53,418.01		\$0.00		\$53,418.01		
SEWER MAINTENANCE	\$0.00		\$0.00		\$0.00		\$59,800.32		\$0.00		\$59,800.32		
SEWER REPLACE.	\$0.00		\$0.00		\$0.00		\$53,982.46		\$0.00		\$53,982.46		
SCDP REVOLVING LOAN FUND	\$0.00		\$0.00		\$0.00		\$999.99		\$0.00		\$999.99		
FIRE DEPT RESERVE (TruckFund)	\$0.00		\$0.00		\$0.00		\$289,360.14		\$0.00		\$289,360.14		
PINE TREE PARK (209)	\$25,317.60		\$22,170.80		\$23,146.80		\$15,000.00		\$0.00		\$15,000.00		
WATER SINKING FUND	\$0.00		\$0.00		\$0.00		\$161,746.23		\$0.00		\$161,746.23		
PUBLIC WORKS RESERVE FUND	\$0.00		\$0.00		\$0.00		\$12,915.47		\$0.00		\$12,915.47		
Fire Dept Special Equip Fund (216)	\$430,695.20		\$21,675.98		\$409,019.22		\$26,443.88		\$0.00		\$26,443.88		
2018 Revolving Loan Fund (250 - NEW)	\$0.00		\$0.00		\$0.00		\$230,554.38		\$0.00		\$230,554.38		
2006 GO BOND (307)	\$37,671.01		\$0.00		\$37,671.01		\$33,368.75		\$0.00		\$33,368.75		
2009A Refunding Bond (309)	\$46,714.24		\$0.00		\$46,714.24		\$13,942.37		\$0.00		\$13,942.37		
2011 Industrial Lane IntraLoan (311)	\$6,996.63		\$0.00		\$6,996.63		\$0.00		\$0.00		\$0.00		
2014A Disposal System Loan (314)	\$22,965.32		\$0.00		\$22,965.32		\$0.00		\$0.00		\$0.00		
2017A Disposal System Project/Sum/Main	\$33,281.20		\$0.00		\$33,281.20		\$0.00		\$0.00		\$0.00		
2017A Disposal Sys Loan (317)	\$15,777.92		\$0.00		\$15,777.92		\$0.00		\$0.00		\$0.00		
2017 PFA Debt Sys Bond Debt Service (320)	\$56,489.84		\$0.00		\$56,489.84		\$0.00		\$0.00		\$0.00		
2018 Frontage/Pine Ave Internal Loan (325)	\$14,516.07		\$0.00		\$14,516.07		\$0.00		\$0.00		\$0.00		
TAX INCREMENT FINANCING (376)	\$123,728.31		\$0.00		\$123,728.31		\$0.00		\$0.00		\$0.00		
Blackduck HRA Fund (210)	\$8,444.65		\$0.00		\$8,444.65		\$0.00		\$0.00		\$0.00		
2022 CIP Project Fund (380) <i>PW/PS Facility</i>	\$1,478,193.60		\$0.00		\$1,478,193.60		\$0.00		\$0.00		\$0.00		
Capital Project Fund (401) <i>for city projects</i>	\$32,966.10		\$0.00		\$0.00		<i>(\$60,263.00)</i>		\$200.00		\$0.00		
WATER FUND (601)	\$109,194.49		\$1,223.75		\$107,970.74		\$0.00		\$0.00		\$0.00		
SEWER FUND (602)	\$67,508.61		\$5,059.19		\$62,449.42		\$0.00		\$0.00		\$0.00		
LIQUOR FUND (609)	\$135,084.65		\$88,456.33		\$46,628.32		\$0.00		\$0.00		\$0.00		
LIQUOR RENT FUND	\$8,191.84		\$0.00		\$8,191.84		\$0.00		\$0.00		\$0.00		
GOLF COURSE (613)	<i>(\$157,327.95)</i>		\$21,857.21		<i>(\$179,185.16)</i>		\$0.00		\$0.00		\$0.00		
Total:	\$2,775,349.91		\$246,534.68		\$2,495,849.13		\$972,812.59		\$200.00		\$972,612.59		\$3,468,461.72

Transfer Recommended:

Fund Transfer from:	Fund transfer to:	Reason:	Amount of Transfer:	
General Fund - Deerwood checking 101	Fire Department Truck Fund Reserve - 208	Budgeted Transfer	\$30,000.00	
General Fund - Deerwood checking 101	Police Restricted - 101	Budgeted Transfer	\$10,000.00	
General Fund - Deerwood checking 101	Cemetery Fund - Deerwood Checking - 201	Budgeted Transfer	\$2,000.00	
General Fund - Deerwood checking 101	General Fund Reserve - 101	ARP 2nd half payment	\$46,092.06	
General Fund - Deerwood checking 101	Fire Department Special Equipment Fund - 216	Budgeted Transfer	\$5,000.00	Armer Radios
2022 Bond Payments:	Principal:	Interest:	Fees:	Total:
Golf Cart Shed Internal Loan Payment	\$5,000.00	\$0.00	\$0.00	\$5,000.00
Golf Cart Shed Internal Loan Payment #2	\$787.09	\$330.91	\$0.00	\$1,118.00

CITY OF BLACKDUCK

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Monthly Bills

Page 1

July 2022

Check Name	Amount		
Fund 101 GENERAL FUND		Fund 401 GENERAL CAPITAL PROJE	\$200.00
Marco Technologies LLC	\$329.72	Fund 601 WATER FUND	
AMERIPRIDE LINEN & APPAREL	\$138.89	BELTRAMI COUNTY-AUDITOR/TREAS.	\$210.00
BELTRAMI COUNTY-AUDITOR/TREAS.	\$210.00	BELTRAMI ELECTRIC COOP	\$797.31
BELTRAMI COUNTY-HIGHWAY DEPT.	\$314.20	Gopher State One Call	\$16.20
BELTRAMI ELECTRIC COOP	\$1,898.73	MN RURAL WATER ASSOCIATION	\$160.00
BLACKDUCK AUTO PARTS, INC	\$217.03	PAUL BUNYAN COMMUNICATIONS	\$35.24
BLACKDUCK CO-OP	\$370.40	QUILL CORPERATION	\$5.00
BOBBIE JO KEWITSCH	\$32.25	Fund 601 WATER FUND	\$1,223.75
EHLERS AND ASSOCIATES	\$750.00	Fund 602 SEWER FUND	
NORTHWOODS LUMBER CO	\$97.39	BELTRAMI COUNTY-AUDITOR/TREAS.	\$210.00
PAIGE WATSON	\$32.25	BELTRAMI ELECTRIC COOP	\$3,981.48
PAUL BUNYAN COMMUNICATIONS	\$477.23	BLACKDUCK AUTO PARTS, INC	\$317.54
PINNACLE MARKETING GROUP	\$1,821.50	MN RURAL WATER ASSOCIATION	\$160.00
RAMPART DEFENSE LLC	\$1,129.20	RMB ENVIRONMENTAL LABORATORIES	\$390.17
RATWIK, ROSZAK & MALONEY, P.A.	\$1,275.00	Fund 602 SEWER FUND	\$5,059.19
ROGER'S TWO WAY RADIO	\$84.00	Fund 609 MUNICIPAL LIQUOR FUND	
Ross Lewis Sign Co.	\$1,000.00	Marco Technologies LLC	\$189.86
TIMBERLINE SPORTS, INC	\$417.50	AMERIPRIDE LINEN & APPAREL	\$910.64
UNITED STATES POST OFFICE	\$10.00	BELTRAMI COUNTY SOLID WASTE	\$743.19
VERIZON WIRELESS	\$419.01	BELTRAMI COUNTY-AUDITOR/TREAS.	\$210.00
Ziegler Inc	\$1,305.78	BELTRAMI ELECTRIC COOP	\$1,845.11
Fund 101 GENERAL FUND	\$12,330.08	BEMIDJI COCA-COLA	\$286.40
Fund 201 CEMETERY FUND		BERNATELLOS	\$243.00
BLACKDUCK AUTO PARTS, INC	\$409.29	Bernick Companies	\$8,125.10
QUILL CORPERATION	\$34.99	BLACKDUCK CO-OP	\$425.08
ROBERT KLUG SR.	\$225.00	BLACKDUCK FAMILY FOODS	\$4,381.30
Fund 201 CEMETERY FUND	\$669.28	Breakthru Beverage	\$3,050.38
Fund 209 PINE TREE PARK FUND		CHARLIE WARD	\$100.00
ACME Tools	\$380.25	DAHLHEIMER BEVERAGE BRAINERD	\$1,294.50
BELTRAMI COUNTY SOLID WASTE	\$148.64	D-S BEVERAGES, INC.	\$15,281.58
BELTRAMI ELECTRIC COOP	\$599.68	GUARDIAN PEST CONTROL	\$93.77
BLACKDUCK AUTO PARTS, INC	\$556.32	HEGGIES PIZZA LLC	\$486.00
NORTHWOODS LUMBER CO	\$159.92	JIM DANDY SNACK FOOD CO.	\$90.00
QUILL CORPERATION	\$24.99	JOHNSON BROTHERS LIQUOR CO.	\$3,871.18
WASTE MANAGEMENT OF WI-MN	\$301.00	MELISSAS CLEANING	\$1,053.00
Fund 209 PINE TREE PARK FUND	\$2,170.80	MIKINNON CO., INC	\$16,439.05
Fund 216 FIRE DEPT SPECIAL EQUIP FUND		MN UNEMPLOYMENT INSURANCE	\$626.00
ROGER'S TWO WAY RADIO	\$21,675.98	NEI BOTTLING INC	\$597.30
Fund 216 FIRE DEPT SPECIAL EQUI	\$21,675.98	NORTHWOODS ICE, INC	\$906.90
Fund 401 GENERAL CAPITAL PROJECTS		OLD DUTCH	\$290.52
JUELSON PLUMBING & HEATING	\$200.00	PAUL BUNYAN COMMUNICATIONS	\$330.58

Check Name	Amount		
PAUSTIS WINE COMPANY	\$628.00	Fund 613 GOLF COURSE	\$15,739.21
PERFORMANCE FOOD SERVICE	\$10,404.34		
Phillips Wine and Spirits	\$5,823.71		
PINNACLE MARKETING GROUP	\$79.00		
QUILL CORPERATION	\$16.79		
SANFORD OCCUPATIONAL MEDICINE	\$98.00		
Southern Glazer's of MN	\$4,307.67		
TOTAL TAP SERVICES	\$75.00		
US FOODs	\$3,594.76		
VINOCOPIA INC	\$1,057.00		
WASTE MANAGEMENT OF WI-MN	\$501.62		
Fund 609 MUNICIPAL LIQUOR FUN	\$88,456.33		
Fund 613 GOLF COURSE			
AMERIPRIDE LINEN & APPAREL	\$138.52		
BE BOLD DESIGNS	\$32.00		
BELTRAMI COUNTY SOLID WASTE	\$41.40		
BELTRAMI COUNTY-AUDITOR/TREAS.	\$1,940.05		
BELTRAMI ELECTRIC COOP	\$464.41		
BEMIDJI COCA-COLA	\$166.85		
BEMIDJI PAPER	\$72.53		
Bernick Companies	\$597.90		
BLACKDUCK AUTO PARTS, INC	\$107.34		
BLACKDUCK CO-OP	\$2,111.19		
BLACKDUCK FAMILY FOODS	\$302.27		
CLARITY GLASS	\$45.00		
DEERWOOD BANK	\$525.00		
D-S BEVERAGES, INC.	\$1,014.59		
GIOVANNIS FROZEN PIZZA	\$650.25		
HORNUNGS	\$308.43		
JIM DANDY SNACK FOOD CO.	\$219.00		
JOHNSON BROTHERS LIQUOR CO.	\$1,400.53		
MIKINNON CO., INC	\$208.50		
MINUTEMAN PRESS	\$459.56		
MN UNEMPLOYMENT INSURANCE	\$6.20		
MTI Distributing	\$1,156.70		
NEI BOTTLING INC	\$480.75		
NORTHWOODS LUMBER CO	\$133.24		
PAUL BUNYAN COMMUNICATIONS	\$109.32		
PAUSTIS WINE COMPANY	\$845.38		
PINNACLE MARKETING GROUP	\$79.00		
QUILL CORPERATION	\$243.44		
TIMBERLINE SPORTS, INC	\$496.82		
US FOODs	\$292.22		
WASTE MANAGEMENT OF WI-MN	\$127.46		
WITTEK/ PW GOLF SUPPLY	\$963.36		

Check Name	Amount
	\$147,524.62

General Fund

Year to Date Income Statement thru 07/31/2022

General Fund Revenues	2022 YTD	2022 Budget	Remaining
Property Taxes	\$154,685.51	\$258,309.00	\$103,623.49
LGA	\$141,868.50	\$283,737.00	\$141,868.50
State, County, Federal Aid - includes ARP funding	\$69,202.84	\$54,500.00	-\$14,702.84
Fire Protection	\$85,262.51	\$83,655.00	-\$1,607.51
Other	\$16,244.06	\$28,100.00	\$11,855.94
Transfers in	\$15,000.00	\$65,000.00	\$50,000.00
Total General Fund Revenues	\$482,263.42	\$773,301.00	\$291,037.58

General Fund Expenditures - By Department	2022 YTD	2022 Budget	Remaining
City Council	\$2,558.52	\$15,084.00	\$12,525.48
Admininstration	\$113,629.80	\$160,722.02	\$47,092.22
Planning & Zoning	\$7,893.92	\$11,000.00	\$3,106.08
Government Bldgs	\$8,565.22	\$15,035.00	\$6,469.78
Police Department - <i>includes expenses for project</i>	\$93,748.71	\$231,093.82	\$137,345.11
Fire Department	\$46,762.06	\$101,400.00	\$54,637.94
Street Department - <i>includes expenses for project</i>	\$158,496.02	\$169,761.61	\$11,265.59
Street Lighting	\$5,935.70	\$14,000.00	\$8,064.30
Parks - Wayside Rest	\$13,120.04	\$27,109.74	\$13,989.70
Library	\$12,946.08	\$26,095.00	\$13,148.92
Total General Fund Expenditures	\$463,656.07	\$771,301.19	\$307,645.12

Net Difference \$18,607.35

Sewer Fund

Year to Date Income Statement thru 07/31/2022

Sewer Operating Revenue:		Budget
Reimbursements	\$21.17	\$0.00
ARP Funding - Council Approved (non-budgeted items)	\$7,116.88	\$0.00
Interest Earnings	\$275.74	\$750.00
Sewer Sales	\$120,947.65	\$205,000.00
Farm Lease Agreement Revenue	\$3,049.00	\$6,098.00
Swr Penalty	\$778.08	\$1,500.00
Charges for Service	\$1,975.00	\$2,500.00
Total Sewer Revenues	\$134,163.52	\$215,848.00

Sewer Operating Expenditures:		Budget	Remaining
Full-Time Employees Regular	\$45,450.66	\$72,532.34	\$27,081.68
Part-Time Employees	\$1,149.58	\$1,209.60	\$60.02
PERA	\$3,495.05	\$5,420.97	\$1,925.92
FICA	\$3,514.99	\$6,937.55	\$3,422.56
Employer Paid Health	\$8,141.83	\$14,080.54	\$5,938.71
Office Supplies (GENERAL)	\$29.77	\$300.00	\$270.23
Electricity	\$13,441.18	\$20,000.00	\$6,558.82
Training and Instruction	\$23.00	\$1,000.00	\$977.00
Operating Supplies (GENERAL)	\$130.74	\$600.00	\$469.26
Motor Fuels	\$1,094.31	\$1,750.00	\$655.69
Lubricants and Additives	\$0.00	\$500.00	\$500.00
Repairs/Maint Supply	\$213.76	\$1,000.00	\$786.24
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	\$0.00	\$1,500.00	\$1,500.00
Small Tools	\$0.00	\$600.00	\$600.00
Auditing and Acc't	\$3,502.00	\$3,500.00	(\$2.00)
Construction Services - PW/PS Facility City Contribution	\$52,714.91	\$6,906.00	(\$45,808.91)
Architect Fees	\$5,609.30	\$9,633.00	\$4,023.70
Legal Fees - for project	\$191.25	\$0.00	(\$191.25)
Testing/Analysis	\$469.17	\$1,500.00	\$1,030.83
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	\$0.00	\$0.00	\$0.00
Repairs/Maintenance Structure	\$1,575.54	\$10,000.00	\$8,424.46
ARP Funding - Council approved	\$7,116.88	\$0.00	(\$7,116.88)
Dues and Subscriptions	\$4,138.42	\$4,000.00	(\$138.42)
Improvements other	\$2,340.32	\$0.00	(\$2,340.32)
Medical Fees	\$0.00	\$0.00	\$0.00
Other Equipment (irrigator)	\$0.00	\$2,600.00	\$2,600.00
Total Sewer Expenditures	\$167,343.42	\$180,070.00	\$12,726.58

		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	\$0.00	\$25,000.00	\$25,000.00
Total	\$13,527.27	\$45,684.97	\$32,157.70
Net Total	(\$46,707.17)	\$225,754.97	\$44,884.28

Water Fund

Year to Date Income Statement thru 07/31/2022

Water Operating Revenue:		Budget:
Water Meter Sales	\$0.00	\$0.00
Health Dept Charges	\$30.07	\$2,994.00
Penalties and Interest	\$0.00	\$0.00
Water Sales	\$122,607.76	\$216,500.00
Water Connect/Reconnect Fee	\$250.00	\$1,500.00
Water Penalty	\$799.66	\$1,750.00
Interest Earnings	\$412.48	\$1,750.00
Reimbursements	\$37.38	\$0.00
Total Water Revenues	\$124,137.35	\$224,494.00

Water Operating Expenditures:	Year to Date	Budget	Remaining
Full-Time Employees Regular	\$39,429.99	\$67,628.40	\$28,198.41
Full-Time Employees OT	\$3,642.34	\$2,000.00	(\$1,642.34)
Part-Time Employees	\$1,306.25	\$2,419.20	\$1,112.95
PERA	\$3,328.41	\$5,253.57	\$1,925.16
FICA	\$3,346.21	\$5,358.65	\$2,012.44
Employer Paid Health	\$7,800.45	\$13,497.29	\$5,696.84
Office Supplies (GENERAL)	\$0.00	\$300.00	\$300.00
Printed Forms	\$0.00	\$0.00	\$0.00
Electricity	\$6,548.47	\$12,000.00	\$5,451.53
Computer Supplies	\$0.00	\$850.00	\$850.00
Training and Instruction	\$0.00	\$1,000.00	\$1,000.00
Operating Supplies (GENERAL)	\$662.00	\$2,600.00	\$1,938.00
Cleaning Supplies	\$0.00	\$0.00	\$0.00
Motor Fuels	\$637.60	\$1,000.00	\$362.40
Lubricants and Additives	\$0.00	\$0.00	\$0.00
Chemicals	\$0.00	\$0.00	\$0.00
Chlorine	\$3,687.99	\$7,000.00	\$3,312.01
Fluoride	\$0.00	\$1,000.00	\$1,000.00
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	\$0.00	\$750.00	\$750.00
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	\$242.58	\$500.00	\$257.42
Postage	\$810.30	\$900.00	\$89.70
Travel Expense	\$107.47	\$1,000.00	\$892.53
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	\$307.80	\$310.00	\$2.20
State Connection Fee	\$1,374.00	\$2,994.00	\$1,620.00
Repairs/Maint Building	\$0.00	\$0.00	\$0.00
Repairs/Maintenance Structure	\$3,179.70	\$12,000.00	\$8,820.30
Repairs/Maintenance Machinery	\$432.73	\$2,500.00	\$2,067.27
Dues and Subscriptions	\$3,683.00	\$3,000.00	(\$683.00)
Uncolletable Checks/Bad Debt	\$184.44	\$100.00	(\$84.44)
Medical Fees	\$0.00	\$0.00	\$0.00
Miscellaneous	\$0.00	\$0.00	\$0.00
Bank Service Charges	\$171.25	\$150.00	(\$21.25)
Total Water Expenditures	\$149,985.18	\$174,200.11	\$24,214.93

Other Water Expenditures:	Budget	Remaining
Transfer Fr Other Fund	\$0.00	\$0.00
PFA Debt Service Principal	\$0.00	\$0.00
PFA Debt Service Interest	\$0.00	\$0.00
New Construction Interest	\$7,946.25	-\$788.55
Debt Service Bond Principal	\$45,000.00	\$0.00
Debt Service Bond Interest	\$16,297.25	\$0.25
Depreciation/Capital Outlay	\$500.00	\$9,500.00
Total	\$69,743.50	\$8,711.70

Net Total	(\$95,591.33)	\$252,655.31	\$32,926.63
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Pine Tree Park

Year to Date Income Statement thru 07/31/2022

PTP Revenues -	2022	Beach	2021	2022 Budget
Reservation Fees	\$781.00		\$775.00	\$1,000.00
Grants	\$11,000.00		\$11,000.00	\$11,000.00
Camping Fees	\$18,288.00		\$19,603.00	\$25,000.00
Other Revenue	\$0.00		\$0.00	\$0.00
Contributions and Donations	\$26,008.00	\$26,008.00	\$0.00	\$0.00
Interest Earnings	\$82.23		\$141.99	\$150.00
Total PTP Revenues	\$56,159.23	\$26,008.00	\$31,519.99	\$37,150.00

PTP Expenditures	2022 YTD	Beach	2021 YTD	2022 Budget	Remaining
Full-Time Employees Regular	\$2,715.19		\$2,403.49	\$5,823.00	\$3,107.81
Part-Time Employees Regular	\$391.66		\$406.88	\$3,024.00	\$2,632.34
PERA	\$233.03		\$210.85	\$543.98	\$310.95
FICA	\$232.20		\$208.05	\$554.86	\$322.66
Employer Paid Health	\$472.48		\$471.53	\$810.47	\$337.99
Office Supplies	\$0.00		\$0.00	\$0.00	\$0.00
Electricity	\$1,682.69		\$2,034.97	\$3,500.00	\$1,817.31
Operating Supplies (GENERAL)	\$122.72		\$539.63	\$900.00	\$777.28
Cleaning Supplies	\$0.00		\$37.79	\$0.00	\$0.00
Motor Fuels	\$684.45		\$126.05	\$1,300.00	\$615.55
Repairs/Maint Supply	\$214.05		\$335.08	\$750.00	\$535.95
Equipment Parts	\$68.98		\$0.00	\$200.00	\$131.02
Other Professional Services	\$300.00		\$1,225.00	\$1,750.00	\$1,450.00
Postage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Advertising	\$0.00		\$0.00	\$1,000.00	\$1,000.00
Other Printing/Binding	\$0.00		\$0.00	\$0.00	\$0.00
General Liability Insurance	\$941.84		\$389.04	\$700.00	(\$241.84)
Property Insurance	\$1,787.00		\$1,648.50	\$3,200.00	\$1,413.00
Workers Compensation Insurance	\$0.00		\$0.00	\$0.00	\$0.00
Garbage	\$1,278.80		\$1,256.54	\$1,750.00	\$471.20
Repairs/Maint Building	\$398.80		\$0.00	\$4,000.00	\$3,601.20
Repairs/Maintenance Structure	\$1,008.00		\$6,031.11	\$0.00	(\$1,008.00)
Improvements Other	\$36,943.66	\$36,943.66	\$1,276.91	\$500.00	(\$36,443.66)
Repairs/Maintenance Machinery	\$836.13		\$149.61	\$1,500.00	\$663.87
Other Equipment	\$0.00		\$7,770.88	\$0.00	\$0.00
Depreciation	\$5,000.00		\$0.00	\$5,000.00	\$0.00
Miscellaneous - Refunds	\$221.00		\$110.00	\$0.00	(\$221.00)
Dues and Subscriptions	\$435.00		\$60.00	\$375.00	(\$60.00)
Total PTP Expenditures	\$55,967.68	\$36,943.66	\$26,691.91	\$37,181.31	(\$18,786.37)
Net Profit	\$191.55	-\$10,935.66	\$4,828.08		
Total	\$191.55	-\$10,935.66	\$4,828.08		

Blackduck Municipal Golf Course
Year-To-Date Income Statement 07/31/2022

	Actual 2022 Sales	Revenue Budget	Cost of Goods	Gross Profit	Gross Margin	Budget	Remaining
Beer	\$6,773.98	\$8,000.00	\$4,073.44	\$2,700.54	39.87%	\$3,400.00	(\$673.44)
Liquor	\$486.03	\$0.00	\$2,909.43	(\$2,423.40)	-498.61%	\$0.00	(\$2,909.43)
Soft Drinks	\$2,660.07	\$7,000.00	\$2,990.90	(\$330.83)	-12.44%	\$3,400.00	\$409.10
Food	\$3,086.76	\$3,500.00	\$3,498.26	(\$411.50)	-13.33%	\$1,000.00	(\$2,498.26)
Golf Merchandise & Clubs	\$1,727.00	\$3,000.00	\$835.90	\$891.10	51.60%	\$1,500.00	\$664.10
Clothing	\$1,691.60	\$3,000.00	\$789.00	\$902.60	53.36%	\$1,000.00	\$211.00
Total	\$16,425.44	\$24,500.00	\$15,096.93	\$1,328.51	8.09%	\$10,300.00	(\$4,796.93)

	Actual 2022 Revenue through 7/31/2022	Revenue Budget
Charges for Services		
Green Fees	\$33,907.00	\$65,000.00
Membership Fees	\$25,013.41	\$25,000.00
Trail Fees	\$465.54	\$1,000.00
Cart Storage	\$1,099.60	\$3,000.00
Rentals (Clubs, Carts)	\$404.33	\$1,850.00
Power Carts	\$20,222.12	\$45,000.00
Clubhouse Rental	\$1,092.46	\$500.00
Kayak Rental	\$87.50	\$0.00
Golf Tournament Revenue	\$608.00	\$0.00
Total Charges for Services	\$82,899.96	\$141,350.00

Total Income \$99,325.40

Less Operating Expense		Budget	Remaining
FT Wages	\$10,055.37	\$39,020.80	\$28,965.43
PT Wages	\$31,464.98	\$62,556.68	\$31,091.70
PERA	\$2,013.99	\$7,618.31	\$5,604.32
FICA	\$3,179.94	\$7,770.68	\$4,590.74
Employer Paid Health	\$3,712.88	\$11,504.40	\$7,791.52
Office Supplies	\$390.93	\$0.00	(\$390.93)
Heating Fuel	\$0.00	\$0.00	\$0.00
Electricity	\$3,648.99	\$5,000.00	\$1,351.01
Computer Supplies	\$0.00	\$350.00	\$350.00
Training & Instructions	\$0.00	\$0.00	\$0.00
Operating Supplies	\$2,150.92	\$2,200.00	\$49.08
Cleaning Supplies	\$145.87	\$0.00	(\$145.87)
Motor Fuels	\$2,875.25	\$3,500.00	\$624.75
Lubricants/Additives	\$0.00	\$0.00	\$0.00
Chemicals	\$4,911.23	\$6,500.00	\$1,588.77
Repair/Maint/Supplies	\$2,355.40	\$0.00	(\$2,355.40)
Equipment parts	\$0.00	\$0.00	\$0.00
Building Repair supply	\$874.57	\$0.00	(\$874.57)
Small Tools/Equipment	\$1,303.31	\$0.00	(\$1,303.31)
Tires	\$0.00	\$0.00	\$0.00
Auditing/Accounting	\$0.00	\$0.00	\$0.00
Medical Fees	\$588.00	\$250.00	(\$338.00)
Legal Fees	\$0.00	\$0.00	\$0.00
Dram	\$0.00	\$750.00	\$750.00
Telephone	\$710.07	\$700.00	(\$10.07)
Cable Television	\$0.00	\$200.00	\$200.00
Internet	\$349.65	\$300.00	(\$49.65)
Travel Expense	\$55.90	\$0.00	(\$55.90)
Other Equipment <i>club house POS equipment</i>	\$1,730.05	\$0.00	(\$1,730.05)
Other Professional services	\$124.00	\$800.00	\$676.00
Website Development & Maintenance	\$1,682.00	\$1,000.00	(\$682.00)
Sponsorship Expense	\$1,909.32	\$0.00	(\$1,909.32)
Postage	\$0.00	\$50.00	\$50.00
Advertising	\$0.00	\$1,000.00	\$1,000.00
Promotional Expenses	\$2,623.64	\$0.00	(\$2,623.64)
Liability Insurance	\$3,414.17	\$2,800.00	(\$614.17)
Property Insurance	\$1,946.00	\$2,600.00	\$654.00
Work Comp	\$1,302.45	\$590.00	(\$712.45)
Unemployment <i>-charged for 2020 & 2021</i>	\$8,609.66	\$4,500.00	(\$4,109.66)
Insurance	\$0.00	\$0.00	\$0.00
Garbage Disposal	\$856.73	\$900.00	\$43.27
Repair/Maint Building	\$698.19	\$1,500.00	\$801.81
Improvements other than Bldgs - Irrigation	\$8,874.51	\$8,000.00	(\$874.51)
Repairs/Maint Machinery	\$8,055.70	\$7,000.00	(\$1,055.70)
Maintenance Course	\$3,035.92	\$4,500.00	\$1,464.08

Furniture & Fixtures	\$148.24	\$0.00	(\$148.24)
Motor Vehicles	\$0.00	\$0.00	\$0.00
Club House renovations from BDC Donation <i>(see below)</i>	\$15,875.43	\$15,000.00	(\$875.43)
Other Equipment Rentals - Kayak purchase	\$1,469.83	\$0.00	(\$1,469.83)
Cart Shed Bond 2020	\$0.00	\$6,118.00	\$6,118.00
Uncollectable Checks	\$0.00	\$0.00	\$0.00
Dues and Subscriptions	\$3,062.06	\$2,500.00	(\$562.06)
Bank Service Charges	\$1,137.88	\$1,750.00	\$612.12
Cart Lease NEW 2021	\$9,780.00	\$14,670.00	\$4,890.00
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	\$161,760.66	\$248,191.37	\$76,375.34

OPERATING INCOME OR LOSS (\$77,532.19)

Other Expenses

Misc. Expenses	\$90.00
Equipment - Gator	\$0.00
Gift Certificates / Discounts	\$2,104.56
Capital Improvements	\$0.00
Transfer to General	\$0.00
Cash Short - discounts for punch cards & savings cards	\$1,258.19
Total Other Expenses	\$3,452.75

Other Income

General Property taxes	\$9,317.67
Transfer Fr Liq Str	\$0.00
Reimbursements	\$600.47
Donations and Contributions	\$17,016.71 <i>BDC Renovation Donation & others</i>
Promotional Event Revenue	\$6,118.21
Cash Over	(\$61.17)
Sponsorship Revenue <i>(cart / tee box)</i>	\$3,250.00
Total Other Income	\$36,241.89

NET INCOME OR LOSS YEAR TO DATE (\$44,743.05)

Sales Comparison YTD	2021 thru July	2022	+/- over prior year
Green Fees	\$32,777.47	\$33,907.00	3.33%
Cart Rental	\$24,210.80	\$20,222.12	-19.72%
YTD Comparisons:	2021 thru July	2022	+/- over prior year
Operating Revenue	\$121,557.12	\$135,567.29	10.33%
Operating Expense	\$123,820.09	\$180,310.34	31.33%
	(\$2,262.97)	(\$44,743.05)	94.94%

Blackduck Municipal Liquor Store Income Statement Year to Date Ending 07/31/2022

\$527,736.19 *How much we paid for our inventory (expenses)*

	YTD Sales	Cost of Goods	Gross Profit		2022 Liquor Revenue Budget
Liquor Sales Off-Sale	\$173,634.45	\$132,564.24	\$41,070.21	23.65%	\$300,000.00
Beer Sales Off-Sale	\$304,198.17	\$238,626.12	\$65,572.05	21.56%	\$500,000.00
Wine Sales Off-Sale	\$28,195.65	\$17,117.44	\$11,078.21	39.29%	\$50,000.00
Other Sales On/Off-Sale	\$12,994.74	\$9,391.47	\$3,603.27	27.73%	\$14,500.00
Liquor Sales On-Sale	\$80,393.68	\$16,072.98	\$64,320.70	80.01%	\$95,000.00
Beer Sales On-Sale	\$101,420.97	\$21,229.68	\$80,191.29	79.07%	\$127,000.00
Wine Sales On-Sale	\$1,499.04	\$451.93	\$1,047.11	69.85%	\$1,000.00
Cigarette Sales	\$45.00	\$0.00	\$45.00	100.00%	\$0.00
Clothing	\$5,958.69	\$5,628.25	\$330.44	5.55%	\$6,000.00
Soft Drinks On Sale	\$11,896.63	\$7,379.46	\$4,517.17	37.97%	\$15,000.00
Food Sales	\$170,711.97	\$101,222.54	\$69,489.43	40.71%	\$185,000.00
		<i>Our cost of inventory</i>		GPM	\$1,293,500.00
Total	\$890,948.99	\$549,684.11	\$341,264.88	38.30%	

Less Operating Expense	2022 YTD	Budget	Remaining
Wages IT	\$125,624.37	\$202,220.57	\$76,596.20
Wages PT	\$69,457.67	\$64,493.68	(\$4,963.99)
PERA	\$14,861.63	\$19,891.07	\$5,029.44
FICA	\$17,491.74	\$20,288.89	\$2,797.15
Health Insurance	\$34,098.54	\$58,948.75	\$24,850.21
Office Supplies	\$762.50	\$1,200.00	\$437.50
Electricity	\$11,736.77	\$20,000.00	\$8,263.23
Heating Fuel	\$9,957.04	\$3,500.00	(\$6,457.04)
Computer Supplies	\$0.00	\$0.00	\$0.00
Training and Instruction	\$1,698.00	\$500.00	(\$1,198.00)
Operating & Bar Supplies	\$24,894.17	\$20,000.00	(\$4,894.17)
Cleaning Supplies	\$78.33	\$0.00	(\$78.33)
Bar Supply	\$0.00	\$0.00	\$0.00
Building Repair Supplies	\$98.57	\$0.00	(\$98.57)
Mix Expense	\$7,581.43	\$7,000.00	(\$581.43)
Auditing / Acct'g Services	\$6,500.00	\$6,500.00	\$0.00
Other Professional Services/Cleaning	\$6,288.22	\$4,400.00	(\$1,888.22)
Website Development	\$1,008.00	\$0.00	(\$1,008.00)
Telephone	\$1,475.41	\$2,000.00	\$524.59
Postage	\$500.00	\$500.00	\$0.00
Cable Television	\$946.45	\$1,500.00	\$553.55
Internet Access	\$644.65	\$1,200.00	\$555.35
Advertising	\$300.00	\$500.00	\$200.00
Travel Expense	\$235.80	\$500.00	\$264.20
Freight	\$4,207.88	\$5,000.00	\$792.12
Legal Fees	\$0.00	\$0.00	\$0.00
Promotions/Entertainment	\$3,877.81	\$3,000.00	(\$877.81)
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	\$1,687.18	\$2,700.00	\$1,012.82
Garbage Disposal	\$4,521.93	\$6,000.00	\$1,478.07
Catering Expense	\$0.00	\$500.00	\$500.00
Repairs & Maintenance	\$0.00	\$0.00	\$0.00
Repairs/Maintenance Building	\$7,278.96	\$10,000.00	\$2,721.04
Uncollectable Checks	\$85.13	\$200.00	\$114.87
Dues and Subscriptions	\$3,139.22	\$4,500.00	\$1,360.78
Bank Service Charges	\$9,351.10	\$750.00	(\$8,601.10)
Furniture & Fixtures	\$934.33	\$6,000.00	\$5,065.67
Office Equip & Furnishings (kitchen equipment)	\$0.00	\$0.00	\$0.00
<i>Construction Services - Close out for 2021 Project</i>	\$11,524.08	\$0.00	(\$11,524.08)
Improvements Other than Buildings - remodel	\$0.00	\$0.00	\$0.00
Building & Structures	\$279.38	\$6,000.00	\$5,720.62
Medical Fees	\$294.00	\$350.00	\$56.00
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	\$8,130.77	\$15,022.88	\$6,892.11
Total Operating Expense	\$428,032.25	\$530,021.31	\$101,989.06

Inventory Expense **(\$21,947.92)**

NET INCOME OR LOSS **(\$64,819.45)** *(gross profit - expenses)*

Other Expenses

<i>Donations</i>	<i>\$6,600.00</i>	<i>2022 Budget - \$4000.00</i>
Capital Outlay	\$0.00	
Unemployment Paid	\$631.50	
Cash Short	(\$118.05)	
Misc. Expense	\$0.00	
Total Other Expenses	\$7,113.45	

Other Income

Reimbursements (NSF)	\$1,344.87
<i>Rent Income</i>	<i>\$9,288.20</i>

Vending Income	\$2,143.15
Interest	\$425.82
Catering Revenue	\$1,127.35
Bank Service Fees Charged to customers	\$10,457.83
<i>Transfer from Liquor Rent Fund</i>	<i>\$10,000.00</i>
Cash Over	\$5.23
Total Other Income	\$34,792.45

Gross Profit Before Transfers (\$37,140.45)

Transfer to General Fund & Other Funds \$0.00

Net Profit After Inventory Exp & Transfers (\$37,140.45)

Inventory On-Hand at 1/1/2022 after inventory total	\$87,723.20
Inventory On-Hand at 07/31/2022	\$97,587.14
Difference	\$9,863.94

Sales Comparison Year to Date Ending 07/31/2022

	2020	2021	2022	% of Increase from 2021-2022
Off-Sale Liquor	\$177,377.67	\$170,683.54	\$173,634.45	1.73%
Off-Sale Beer	\$326,926.74	\$326,971.94	\$304,198.17	-6.97%
Off-Sale Wine	\$26,881.91	\$26,052.14	\$28,195.65	8.23%
Total Off-Sale	\$531,186.32	\$523,707.62	\$506,028.27	-3.38%
On-Sale Liquor	\$39,466.94	\$58,215.25	\$80,393.68	38.10%
On-Sale Beer	\$53,032.45	\$79,039.72	\$101,420.97	28.32%
On-Sale Wine	\$435.95	\$996.49	\$1,499.04	50.43%
Total On-Sale	\$92,935.34	\$138,251.46	\$183,313.69	32.59%
Total On and Off Sale	\$624,121.66	\$661,959.08	\$689,341.96	4.14%
Total Food Sales	\$82,319.17	\$117,048.01	\$170,711.97	45.85%
Gross Liquor Store Sales Comparison	\$737,472.32	\$816,376.03	\$925,741.44	13.40%



CITY OF BLACKDUCK

07/28/22 9:30 AM

Page 1

Payments

Current Period: July 2022

Payment Batch JULYCCBILL071522

\$3,354.09

Refer	164	CARDMEMBER SERVICE -DEERW	Ck# 011083 7/14/2022		
Cash Payment	E 101-41400-331	Travel Expenses	CHRISTINA- JULY 2022 CREDIT CARD BILL		\$37.13
Invoice	JULYBILL	7/14/2022			
Cash Payment	E 101-41110-331	Travel Expenses	CHRISTINA- JULY 2022 CREDIT CARD BILL		\$476.97
Invoice	JULYBILL	7/14/2022			
Cash Payment	E 101-41400-331	Travel Expenses	CHRISTINA- JULY 2022 CREDIT CARD BILL		\$30.00
Invoice	JULYBILL	7/14/2022			
Cash Payment	E 101-41400-331	Travel Expenses	CHRISTINA- JULY 2022 CREDIT CARD BILL		\$21.81
Invoice	JULYBILL	7/14/2022			
Cash Payment	E 101-41400-433	Dues and Subscriptions	CHRISTINA- JULY 2022 CREDIT CARD BILL		\$160.96
Invoice	JULYBILL	7/14/2022			
Transaction Date	7/15/2022	DW Checking	10100	Total	\$726.87
Refer	165	CARDMEMBER SERVICE -DEERW	Ck# 011083 7/14/2022		
Cash Payment	E 101-43100-235	Personal Protective Equi	MIKE- JULY 2022 CREDIT CARD BILL		\$35.43
Invoice	JULY2022M	7/14/2022			
Cash Payment	E 601-43200-210	Operating Supplies (GEN	MIKE- JULY 2022 CREDIT CARD BILL		\$366.40
Invoice	JULY2022M	7/14/2022			
Cash Payment	E 209-45183-404	Repairs/Maint Machinery	MIKE- JULY 2022 CREDIT CARD BILL		\$327.23
Invoice	JULY2022M	7/14/2022			
Cash Payment	E 613-49830-240	Small Tools and Minor E	MIKE- JULY 2022 CREDIT CARD BILL		\$340.90
Invoice	JULY2022M	7/14/2022			
Transaction Date	7/15/2022	DW Checking	10100	Total	\$1,069.96
Refer	166	CARDMEMBER SERVICE -DEERW	Ck# 011083 7/14/2022		
Cash Payment	E 613-49830-212	Motor Fuels	MISTY- JULY 2022 CREDIT CARD BILL		\$98.97
Invoice	JULYBILLMFRE	7/15/2022			
Cash Payment	E 613-49830-260	Food for Resale	MISTY- JULY 2022 CREDIT CARD BILL		\$87.74
Invoice	JULYBILLMFRE	7/15/2022			
Cash Payment	E 613-49830-415	Other Equipment Rentals	MISTY- JULY 2022 CREDIT CARD BILL		\$1,112.91
Invoice	JULYBILLMFRE	7/15/2022			
Cash Payment	E 613-49830-410	Rentals (GENERAL)	MISTY- JULY 2022 CREDIT CARD BILL		\$257.64
Invoice	JULYBILLMFRE	7/15/2022			
Transaction Date	7/15/2022	DW Checking	10100	Total	\$1,557.26

Fund Summary

	10100 DW Checking	
101 GENERAL FUND		\$762.30
209 PINE TREE PARK FUND		\$327.23
601 WATER FUND		\$366.40
613 GOLF COURSE		\$1,898.16
		\$3,354.09

Pre-Written Checks	\$3,354.09
Checks to be Generated by the Computer	\$0.00
Total	\$3,354.09

MINNESOTA Lawful Gambling

LG216 Worksheet for Calculating Lawful Gambling Monthly Rent

Licence Number
01944

Organization Name
Blackduck Fire Relief

Site Name

Site Number
001

POND

(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 Col 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.
6/2022			7059.00	1411.80	1411.80			1411.80	0.00	1411.80

- 1 This amount may not exceed 10%
- 2 Enter no more than 10% if paper or electronic pull-tabs, tipboards, paddletickets (other than paddlewheel 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.

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: 2788

Payment Information

Payment Reference: 0007524390
Payment Date: 07/19/2022
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 09658178	07/20/2022	22846A20402002L001	CITY-040200 LOCAL_GOVT_AID	141,868.50
LOCAL GOVERNMENT AID						
Total:						141,868.50 USD

MEMORANDUM

TO: Christina Regas, City Administrator
City of Blackduck

FROM: Shelly Eldridge, Sr. Municipal Advisor

DATE: July 26, 2022

SUBJECT: 2021 TIF Reports to OSA

Christina:

The Office of the State Auditor (OSA) files were uploaded to the OSA on-line reporting system on July 26, 2022. The following needs to be completed:

- (1) **Ehlers** will submit the annual disclose information for publication in the Blackduck American for publication on or before 8/15/22. A copy of the 2021 Disclosure that will be submitted for publication is attached to the e-mail.
- (2) **Ehlers** will send a copy of the "Annual Disclosure of Tax Increment Districts for the Year Ended 12/31/2021" that is to be published in (1) to the County Auditor and County Board.
- (3) **Ehlers** will provide a copy of the forms to the County Auditor.

A copy of the OSA's excel files, which were submitted on your behalf, were attached to the email. Following are copies of the Confirmation information from the OSA system for each of the files which were uploaded on 07/26/2022:

Confirmation of Uploaded Files

2021 Blackduck	Confirmation Number	
TIF 1-4 Adult Day Care	ce6d019f-3b76-4f06-93f8-8a24c202a947	07/26/2022
TIF 1-6	4c13de84-9f32-423f-bbe3-f2b0b174599d	07/26/2022

Our preparation of the reporting forms does not constitute a compliance review. The reporting forms were completed based upon information provided by the City. Please note that our preparation of the forms does not ensure that the OSA will not audit the City, nor does it ensure that the OSA will not raise issues with the City's Districts.

Again, I want to thank you for the opportunity to assist you in the preparation of the City's 2021 TIF reports. As always, if you have any questions, please don't hesitate to contact me.

City of Blackduck

Annual Disclosure of Tax Increment Districts for the Year Ended December 31, 2021

TIF District Name:	TIF 1-4 Adult Day Care	TIF 1-6 Scattered Site Housing
Current net tax capacity	6,874	19,735
Original net tax capacity	75	1,257
Captured net tax capacity	6,799	18,478
Principal and interest payments due during current year	-	20,574
Tax increment received	10,788	30,590
Tax increment expended	1,331	21,432
Month and year of first tax increment receipt	May 1998	July 2006
Date of required decertification	12-31-2023	12-31-2031

Additional information regarding each district may be obtained from: Christina Regas, City Administrator
PO Box 380 Blackduck, MN 56630
(218) 835-4810
city@paulbunyan.net



City of Blackduck

JUL 18 2022

201 3rd Street NW
Bemidji, MN 56601
218.759.2057
800.659.7859
www.nwmf.org

July 15, 2022

Christina Regas
PO Box 380
Blackduck, MN 56630-0380

Dear Christina,

We are pleased to present information for the coming fiscal year for the Blackduck Trestle and Trails Fund - 0644. Enclosed with this letter is your June 30, 2022 fund statement for the end of the fiscal year.

On this statement you will see the spendable amount as of June 30, 2022. This is not an endowed fund. You will also see your fund fees listed under expense at the bottom of the statement. We encourage you to use the spendable dollars for the purpose of your fund. Questions about how to use your spendable dollars can be directed to your philanthropy officer.

The fund fees cover such items as gift receipting (for IRS purposes), payments from the fund, filing the IRS 990 tax form, the audit, NMF Web portal, online giving options, NMF website with resources outlining planned giving options, as well as access to NMF staff for support of your fund.

As a friendly reminder, we have launched the NMF Web Portal where you can access the fund balance, gift and grant history as well as fund statements. We encourage you to visit our website www.nwmf.org and click on "NMF Web Portal" to get registered if you haven't done so already.

Thank you for all of your work on behalf of the Blackduck Trestle and Trails Fund and for helping to **Build Better Lives** and to make the region a better place to live and work. If you have questions, please contact Chris Bell (chrisb@nwmf.org) or your Philanthropy Officer.

Sincerely,

Handwritten signature of Dawn Ganje in blue ink.

Dawn Ganje
Director for Community Philanthropy

Handwritten signature of Ashley Johnson in blue ink.

Ashley Johnson
Senior Philanthropy Officer

Handwritten signature of Kelly Martinka in blue ink.

Kelly Martinka
Philanthropy Officer

Handwritten signature of Terri Darco in blue ink.

Terri Darco
Philanthropy Officer

Blackduck Trestle and Trails Fund
Fund Number: 0644
Financial Statement
July 14, 2022

Net Assets	Beginning 7/1/2022	Activity	Ending 7/14/2022
Net Assets - General Spendable	\$10,008.08	\$0.00	\$10,008.08
Net Assets - Special Projects	\$0.00	\$0.00	\$0.00
Net Assets - Development Support	\$0.00	\$0.00	\$0.00
Net Assets - Nonspendable Principal	\$0.00	\$0.00	\$0.00
Net Assets - Nonspendable Match NMF	\$0.00	\$0.00	\$0.00
Net Assets - Nonspendable Match Interfund	\$0.00	\$0.00	\$0.00
Net Assets - Pledges	\$0.00	\$0.00	\$0.00
Net Assets - Nonspendable Quasi-Endowment	\$0.00	\$0.00	\$0.00
Net Assets - Nonspendable Accumulated Earnings	\$0.00	\$0.00	\$0.00
Total Net Assets	\$10,008.08	\$0.00	\$10,008.08
<i>Support and Revenue</i>			
Other Income			\$0.00
<i>Total Support and Revenue</i>			<u>\$0.00</u>
<i>Expenses</i>			
Other Expenses			\$0.00
<i>Total Expenses</i>			<u>\$0.00</u>
<i>Excess of Support and Revenue over Expenditures</i>			\$0.00



July 20, 2022

Christina Regas/Blackduck City Administrator
8 Summit Ave NE
Blackduck, MN 56630
PH: 218.835.4803

PROJECT: 22-1018, PID 180018600, Section 14, Township 149, Range 31, Beltrami County, MN.

SCOPE OF SERVICES:

To include the following:

- I. Certificate of Survey:
 - Locate needed section and/or plat corners to determine the property boundary
 - Set block corners for Blocks W, X & Y, First Addition to Lakeview Cemetery
 - Locate road to the north and treeline to the south
 - Show the results on a Certificate of Survey
- II. Please review, sign and return the Agreement along with a retainer of \$1,250.00 and a copy of the recorded legal descriptions for the property (e.g. warranty deed) to our Bemidji Office (PO Box 3067, Bemidji, MN 56601) and I will get you on the field schedule. The survey will not be considered complete until you receive the final invoice. You will receive the final invoice after the project is complete. Cost includes all equipment, materials and personnel. Feel free to contact me with any questions you may have.

Total Estimated Cost: \$2,500.00

Sincerely,

Dennis Warner, PLS
Project Surveyor
218.259.9436
A Veteran Owned Small Business

Accepted by: _____ Date: _____



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

August 5, 2022

Blackduck Family Foods/Fellows LLC
Eric Charlie Anderson and Scott Magoon
288 Frontage Road
Blackduck, MN 56630

Attn. Eric Charlie Anderson and Scott Magoon,

As of December 2, 2019, the Promissory Note for Commercial Rehabilitation with the City of Blackduck is satisfied in full. I have enclosed the original promissory note marked 'PAID' for your records. Also, included is the satisfaction of commercial mortgage document. You will want to file this document with Beltrami County to remove the City's lien from the title to the real estate. Also, your insurance agent will be notified to remove the City as a lienholder on the property policy. We are glad to be able to assist in your commercial rehabilitation financing needs.

Sincerely,



Christina Regas
City Administrator

CC: Bi-County Cap, Blackduck City Council

www.blackduckmn.com

Phone: (218) 835-4803 Fax: (218) 835-4801 Email: city@paulbunyan.net

"The City Of Blackduck Is An Equal Opportunity Provider"

SATISFACTION OF MORTGAGE

Date: August 5, 2022

THAT CERTAIN MORTGAGE owned by the undersigned, dated December 2, 2009, executed by Blackduck Family Foods/Fellows, LLC., as Mortgagor, to the City of Blackduck, as Mortgagee, and filed for record October 13, 2010, by document no A000506650, in the office of the County Recorder of Beltrami County, Minnesota, is, with the indebtedness thereby secured, fully paid and satisfied.

CITY OF BLACKDUCK

By Christina Regas
Christina Regas
Its City Administrator

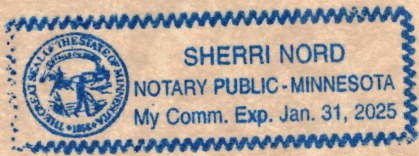
By Maxwell Gullette
Maxwell Gullette
Its Mayor

STATE OF MINNESOTA

ss.

COUNTY OF BELTRAMI

The foregoing instrument was acknowledged before me this 5th day of August, 2022, by Christina Regas, City Administrator, and Maxwell Gullette, Mayor of the City of Blackduck, a municipal corporation, on behalf of that body.



Sherri Nord
Notary Public

THIS INSTRUMENT DRAFTED BY:

Headwaters Regional Development Commission
403 4th Street NW
P.O. Box 906
Bemidji, MN 56619-0906
(218) 444-4732

Bi-CAP

CITY OF BLACKDUCK

OFFICE OF COUNTY RECORDER
COUNTY OF BELTRAMI, MINNESOTA

DEC 02 2019

EXEMPT FROM MORTGAGE REGISTRATION
TAX - BELTRAMI COUNTY, MN
KAY L. MACK AUDITOR-TREASURER

COPY
PAID

THIS IS TO CERTIFY
THAT THIS INSTRUMENT
WAS FILED IN THIS
OFFICE ON 10/13/2010 AT
03:23:10PM BY DOCUMENT NUMBER

0000506650
Paula R Coon DEPUTY

CHARLENE D. STURK
COUNTY RECORDER

PAGES: 4

COPY

Commercial Mortgage

THIS INDENTURE, made this 2nd day of December, 2009, between Fellows, LLC
Mortgagor (whether one or more),
and The City of Blackduck, a political subdivision under the laws of the State of Minnesota, Mortgagee,

WITNESSETH, that, pursuant to the provisions of that housing loan program commonly known as the
City of Blackduck Downtown Commercial Renovation Program, the Mortgagor, in consideration of the sum
of Thirty Thousand and no/100 (\$ 30,000.00)
DOLLARS, to the Mortgagor in hand paid by the Mortgagee, the receipt whereof is hereby acknowledged,
does hereby convey unto the Mortgagee, Forever, all of the land located in the County of Beltrami, and State of
Minnesota, described as follows:

see attachment A

together with all hereditaments and appurtenances belonging thereto (the Property).

TO HAVE AND TO HOLD THE SAME, to the mortgagee forever. The Mortgagor covenants with
Mortgagee as follows: That Mortgagor is lawfully seized of the Property and has good right to convey the
same; that the Property is free from all encumbrances except as follows: Senior Liens in the original amount of:
(If none, state "None")

Wells Fargo Bank \$315,000.00

that the Mortgagee shall quietly enjoy and possess the same; and that the Mortgagor will Warrant and Defend
the title to the same against all lawful claims not hereinbefore specifically excepted.

PROVIDED, NEVERTHELESS, that if the Mortgagor shall pay to the Mortgagee the sum of Thirty
Thousand and no/100 (\$ 30,000.00) DOLLARS plus
interest, according to the terms of a promissory note of even date herewith (the Note), and shall repay to the
Mortgagee, at the times and with interest as specified, all sums advanced in protecting the lien of this
Mortgage, in payment of taxes of the Property, insurance premiums covering buildings thereon, principal or
interest on any prior liens, expenses and attorney's fees herein provided for and sums advanced for any other
purpose authorized herein, and shall keep and perform all the covenants and agreements herein contained,
then this Mortgage shall be null and void, and shall be released at the Mortgagor's expense.

AND THE MORTGAGOR covenants with the Mortgagee as follows:

1. to pay the principal sum of money and interest as specified in the Note, which Note requires, along with
other requirements, that payment in full be made upon sale of the subject real property;
2. to pay all taxes and assessments now due or that may hereafter become liens against the Property before
penalty attaches thereto;
3. to keep all buildings, improvements and fixtures now or later located on or a part of the Property insured
against loss by fire, extended coverage perils, vandalism, malicious mischief and, if applicable, steam
boiler explosion, for at least the amount of Fair Market Value at all times while any amount remains unpaid
under this Mortgage. If any of the buildings, improvements or fixtures are located in a federally designated
flood prone area, and if flood insurance is available for that area, Mortgagor shall procure and maintain
flood insurance in amounts reasonably satisfactory to the Mortgagee. Each insurance policy shall contain a
loss payable clause in favor of the Mortgagee affording all rights and privileges customarily provided under
the so-called standard mortgage clause. In the event of damage to the Property by fire or other casualty,
the Mortgagor shall promptly give notice of such damage to the Mortgagee and the insurance company.
The insurance shall be issued by an insurance company or companies licensed to do business in the State
of Minnesota and acceptable to the Mortgagee. The insurance policies shall provide for not less than ten
days written notice to the Mortgagee before cancellation, non-renewal, termination, or change in coverage,
and the Mortgagor shall deliver to the Mortgagee a duplicate original or certificate of such insurance
policies;
4. to pay, when due, both principal and interest of all prior liens or encumbrances;
5. to commit or permit no waste on the Property and to keep it in good repair;

6. to complete forthwith any improvements which may hereafter be under course of construction on the Property; and
7. to pay any other expenses and attorney's fees incurred by the Mortgagee by reason of litigation with any third party for the protection of the lien of this Mortgage.

In case of failure to pay said taxes and assessments, prior liens or encumbrances, expenses and attorney's fees as above specified, or to insure said buildings, improvements, and fixtures and deliver the policies as aforesaid, the Mortgagee may pay such taxes, assessments, prior liens, expenses and attorney's fees and interest thereon, or obtain such insurance, and the sums so paid shall bear interest from the date of such payment at the same rate set forth in the Note, and shall be impressed as an additional lien upon the Property and be immediately due and payable from the Mortgagor to the Mortgagee and this Mortgage shall from date thereof secure the repayment of such advances with interest.

In case of default in any of the foregoing covenants, the Mortgagor confers upon the Mortgagee the option of declaring the unpaid balance of the Note and the interest accrued thereon, together with all sums advanced hereunder, immediately due and payable without notice, and hereby authorizes and empowers the Mortgagee to foreclose this Mortgage by judicial proceedings or to sell the Property at public auction and convey the same to the purchaser in fee simple in accordance with the statute, and out of the moneys arising from such sale to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorney's fee permitted by law, which costs, charges and fees the Mortgagor herein agrees to pay.

The Mortgagor and the Mortgagee further covenant and agree as follows:

1. Mortgagor shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.
2. Upon default of any covenant or agreement by Mortgagor under the terms of the Note or this Mortgage, Mortgagee prior to foreclosure shall mail notice to Mortgagor as provided herein specifying: (a) the nature of the default by the Mortgagor; (b) the action required to cure such default; (c) a date, not less than thirty (30) days from the date the notice is mailed to Mortgagor by which such default must be cured; and (d) that failure to cure such default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of the Mortgagor to acceleration and sale.
3. In addition to any notice required under applicable law to be given in another manner, (a) any notice to the Mortgagor provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to the Mortgagor at the Property address or at such other address as the Mortgagor may designate by notice in writing to the Mortgagee as provided herein, and (b) any notice to the Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee at the following address: PO Box 380, Blackduck MN 56630-0380, or to such other address as Mortgagee may designate by notice in writing to the Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Mortgagee when given in the manner designated herein.

The terms of this Mortgage shall run with the Property and bind the parties hereto and their successors in interest.

THE MORTGAGEE MAY ASSIGN THIS MORTGAGE WITHOUT THE CONSENT OF THE MORTGAGOR. THE MORTGAGOR, HOWEVER, MAY NOT ASSIGN OR OTHERWISE TRANSFER THIS MORTGAGE OR THEIR RIGHTS OR OBLIGATIONS HEREUNDER WITHOUT THE PRIOR WRITTEN CONSENT OF THE MORTGAGEE.

IN TESTIMONY WHEREOF, the Mortgagor has hereunto set its hand the day and year first above written.

MORTGAGOR

Scott Magoon-President Fellows, LLC

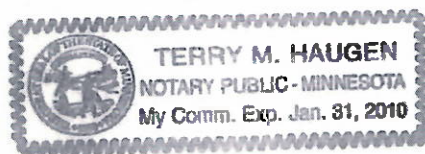
Eric C. Anderson-Secretary-Treasurer Fellows, LLC

STATE OF MINNESOTA)
) ss.
COUNTY OF Beltrami)

The foregoing instrument was acknowledged before me this 2nd day of December, 2009, by Scott Magoon, President Fellows, LLC and Eric C. Anderson, Secretary-Treasurer Fellows LLC

Terry M. Haugen
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
Bi-County Community Action Programs, Inc.
(Serving Beltrami and Cass Counties)
P O Box 579
Bemidji MN 56619



This instrument is exempt from registration tax.

FAILURE TO RECORD OR FILE THIS MORTGAGE MAY GIVE OTHER PARTIES PRIORITY OVER THIS MORTGAGE.

CITY OF BLACKDUCK

COPY DEC 02 2019

COPY
PAID

Attachment A

Lots 3 and 4, Block 2, Lake Park, and Lot 5, Block 2, Balsiger Addition.

Less that part of Lot 5, Block 2, Balsiger Addition, and that part of Lot 3, Block 2, Lake Park, described as follows: Commencing at the southeast corner of Lot 4, Block 2, Balsiger Addition; thence North 88°48'46" West, bearing assumed, along the south line of said Lot 4 a distance of 73.47 feet; thence South 01°11'14" West, a distance of 10.88 feet to the point of beginning; thence south 15°12'36" West, a distance of 70.00 feet; thence North 74°47'24" West, a distance of 40.00 feet; thence North 15°12'36" East, a distance of 70.00 feet; thence south 74°47'24" East, a distance of 40.00 feet to the point of beginning;

The South 100 feet of Lot Two (2), Block Two (2), Lake Park; and

The South 100 of Lot Four (4), Block Two (2), Balsiger Addition.

MINNESOTA • REVENUE

Mortgage Registry Tax

CITY OF BLACKDUCK

COPY

DEC 02 2019

MRT1

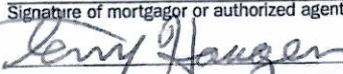
Form MRT1 may be used to document your claim for an exemption from mortgage taxes. The mortgage registry tax rate is .0023 of the amount of the debt being secured (.0024 for Hennepin and Ramsey counties).

COPY
PAID

Mortgage registry tax	Name of borrower				Amount secured by mortgage
	Blackduck Family Foods / Fellows, LLC				\$ 30,000.00
	Address	City	State	Zip code	Taxable amount
	288 Frontage Road	Blackduck	MN	56630	\$ (0)
	Name of lender				Mortgage tax due
	City of Blackduck Downtown Commercial Renovation Program				\$ (0)
	Address	City	State	Zip code	Reason code (see below)
	PO Box 380	Blackduck	MN	56630	(7)

Mortgagor or authorized agent, sign below.

I declare that the information on this certificate is correct and complete to the best of my knowledge and belief.

Signature of mortgagor or authorized agent	Title	Date	Daytime phone
	Rehab Specialist	12/02/2009	218-333-9839

If you have questions, call 651-556-4721. TTY: Call 711 for Minnesota Relay. Fax: 651-297-1939.

Reason codes

- 1 Notwithstanding anything to the contrary herein, enforcement of this mortgage in Minnesota is limited to a debt amount of \$ _____ under Chapter 287 of Minnesota Statutes.
- 2 Decree of marriage dissolution or an instrument made pursuant to it.
- 3 Mortgage given to correct a misdescription of the mortgaged property.
- 4 Mortgage or other instrument that adds additional security for the same debt for which mortgage registry tax has been paid.
- 5 Mortgage executed as part of a plan of reorganization under a Chapter 11 or Chapter 12 bankruptcy case. (*Federal bankruptcy codes 1146[c] and 1231[c]*).
- 6 Mortgage secured by real property subject to the minerals production tax (*M. S. 298.24 to 298.28*).
- 7 Mortgage loan made under a low and moderate income or other affordable housing program if the mortgagee is a federal, state, or local government agency (*Revenue Notice # 01-05*).
- 8 A mortgage granted by a Fraternal Benefit Society (borrower) (*M. S. 64B*).
- 9 Mortgage amendment or extension, as defined in *M. S. 287.01*.
- 10 Reverse Mortgage/Home Equity Conversion Mortgage — tax is due on the expected total disbursements less interest, mortgage insurance premiums, and lender service fees. *M. S. 287.05, subd. 6*.
- 11 Agricultural mortgage whose proceeds are being used to acquire or improve real property that is or will be used for the production of agricultural products. Note: The exemption does not apply to the portion of the proceeds used for nonexempt purposes (e.g., the construction or improvement of a house). The lender must allocate the taxable and nontaxable portion of the mortgage.
- 12 Mortgage encumbering real property located within the boundaries of a federally recognized American Indian tribe if the mortgagor (i.e., borrower) is (1) the tribe or a member of the tribe; or (2) purchasing the property from the tribe or a member of the tribe and the mortgage is a purchase-money mortgage.
- 13 Federal government and agencies:
 - A. Mortgages exempt if one of these entities is acting as either mortgagor (borrower) or mortgagee (lender):
 - Commodity Credit Corporation
 - Farm Credit Banks
 - Agribank (i.e., Farm Credit Bank of St. Paul)
 - AgAmerica Farm Credit Bank
 - Farm Housing Assistance
 - USDA Rural Housing Service mortgages that secure a Section 502, 504, 514, 516 or Rural Rental Housing Preservation Direct Loan.
 - Farm Service Agency
 - Federal Financing Bank
 - Federal Home Loan Mortgage Corporation (“Freddie Mac”)
 - B. Mortgages exempt if one of these entities is acting as mortgagor (borrower):
 - Federal Credit Unions
 - Federal Deposit Insurance Corporations
 - Federal Reserve Banks
 - Resolution Trust Corporations
 - U.S. Department of Housing and Urban Development
 - U.S. Postal Service
 - U.S. Rural Telephone Bank
 - U.S. Rural Utilities Service (RUS)
 - U.S. Dept. of Veterans Affairs
- 14 If the above codes do not apply, use Code 13 and explain below.

CITY OF BLACKDUCK

COPY

DEC 02 2019

COPY
PAID

**PROMISSORY NOTE
DOWNTOWN COMMERCIAL REHABILITATION**

DATE: 12-2-09

BORROWER: Blackduck Family Foods/Fellows, LLC

LENDER: City of Blackduck

PRINCIPAL: \$30,000.00

SENIOR LIEN HOLDERS: Wells Fargo Bank \$315,000.00

PROPERTY: see Attachment A

THIS AGREEMENT, made and entered into on December 2, 20 09,
by and between Fellows, LLC
(hereinafter referred to as "Borrower"), and the City of Blackduck, having its
principal office at Summit Avenue NE, Blackduck, Minnesota (hereinafter referred
to as "Lender").

WHEREAS, on 12-2-09 the Lender agreed to grant to the Borrower
a rehabilitation Deferred Payment Loan (hereinafter referred to as "Deferred
Loan", relating to the real estate above described, in the amount of
Thirty Thousand and no/100 dollars
(\$ 30,000.00), but only on condition that Borrower executes this Agreement.

NOW THEREFORE, in consideration of the said Deferred Loan, the parties do hereby agree as follows:

1. **BORROWER'S PROMISE TO PAY**

A. **Purposes.** This Note implements requirements applicable to assistance furnished by Lender to Borrower under a program to help eligible owners rehabilitate their commercial building which is being carried out by Lender. The Lender has assisted the Borrower with respect to rehabilitation of the Property for use as the Borrower's commercial property. The Lender or any authorized party who takes this Note by assignment and is entitled to receive amounts due under this Note is called the "Note Holder". Unless the context otherwise requires, all Borrowers shall be collectively referred to as the Borrower or "I".

B. **Repayment Obligation.** In return for the assistance I have received with respect to rehabilitation of the Property, I promise to pay the Principal to the order of Lender. Payment of Principal under this Note will be initially deferred and then forgiven over time as stated in Paragraph 1.C. Principal may be prepaid as stated in paragraph 4. The amount of Principal that remains outstanding shall be due and payable on the Closing Date of a voluntary sale of the Property, as stated herein, or in the event of a Default, as stated in paragraph 5.

C. **Deferral and Forgiveness of Principal.** If payment is not yet due under Paragraphs 3 and 5:

i. Borrower covenants and agrees with the Lender that if the real estate hereinafter described is sold, transferred or otherwise conveyed, voluntarily or involuntarily, either while the Borrower is living or by reason of the death of the Borrower;

(a) Within a period of up to 72 months after the date of the Deferred Loan, Borrower shall repay to the Lender a sum equal to one hundred percent (100%) of the loan as set forth above;

(b) One forty-eighth of the loan principal will be forgiven each month over the subsequent four year period.

(c) At the end of ten years after the execution of the loan agreement the loan will be totally forgiven.

2. **INTEREST** No interest will be charged on this Note unless and until a Default has been declared by the Note Holder under Paragraph 5. I agree to pay interest at the rate per annum charged from time to time on judgments in the State of Minnesota, but not to exceed ten percent (10%) per annum on the then-outstanding Principal balance of this Note from the date of any Notice of Default until paid.

DEC 02 2019

3. **PAYMENT DUE ON VOLUNTARY SALE**

A. Voluntary Sale: Note. Except as otherwise provided in this Paragraph, a "voluntary sale" of the Property for purposes of this Note is any sale or transfer of the Property, or any interest therein, other than by foreclosure, levy, or court order. I also authorize the Note Holder to determine, in its sole discretion, whether or on what conditions a transfer of the property, or an interest in the Property, upon the death of a Borrower, or upon the divorce, legal separation, or legal incapacity of a Borrower, constitutes an event requiring repayment of this Note. I further authorize the Note Holder to determine, in its sole discretion, whether a transfer of a portion of the Property, or a partial interest therein, for any other reason has an effect on the value of the Note Holder's interest substantial enough to be considered a transfer for purposes of this Paragraph or paragraph 5. I will mail via certified mail, return receipt requested, or deliver notice of the proposed sale and a copy of the sales contract to the Note Holder at least thirty (30) calendar days before the proposed Closing Date, at its office in Blackduck, Minnesota.

B. First Ten (10) Years. In the event of a voluntary sale within the first ten (10) years after the date of this Note, I will repay the Principal as described above to the Note Holder in U. S. Dollars on the Closing Date of the voluntary sale at the address above.

C. After First Ten (10) Years. In the event of a voluntary sale following the expiration of the first ten (10) years after the date of this Note, I will have no obligation to repay the Deferred Loan or any portion thereof.

4. **BORROWER'S RIGHT TO REPAY** This Note may be repaid, in whole or in part, at any time without penalty.

5. **DEFAULT**

A. Events of Default. Any of the following events shall constitute a Default under this Note, as of the date of the Notice of Default under Paragraph 5.B.

i. Any Transfer of the Property Other than a Voluntary Sale. Voluntary sale is defined in Paragraph 3.A. Any transfer of the Property or any interest therein (including a beneficial interest) that is not a voluntary sale as defined in paragraph 3.A. is a Default under this Note.

ii. Any Default under the Mortgage. Any Default under the Mortgage securing this Note shall be a Default hereunder.

iii. **Borrower's Fraud or Misrepresentation.** Any willful misstatement of, or failure to disclose, a material fact by a Borrower relating to this or her eligibility for assistance with respect to the Property under the Lender's rehabilitation program is a Default under this Paragraph. Recovery against the Borrower responsible for the fraud or misrepresentation may include personal judgment and execution thereon to the full extent authorized by law.

B. **Notice of Default and Amount Due.** If I am in Default, the Note Holder may send me a written notice stating the reason I am in Default and telling me to pay immediately; (i) the full amount of Principal or Alternate Principal, whichever is larger, then due on this Note, (ii) all of the interest that I owe and that will accrue until paid on the amount, and (iii) all of the Note Holder's costs, expenses, and reasonable attorney's fees.

C. **No Waiver by Note Holder.** Even if, at a time when I am in Default, the Note Holder does not require me to pay immediately in full under paragraph 5.B., the Note Holder will still have the right to do so if I am in Default for the same reason or another reason, at a later time.

6. **GIVING OF NOTICES** Any notice that must be given to me under this Note may be given by delivering it or by mailing it by first class mail to me at the Property address above, or at a different address if I give the Note Holder a written notice of my different address.

A. Any notice that must be given to the Note Holder under this Note shall be given by mailing it by first class mail to the Note Holder at the address of its principal office in Bemidji, Minnesota.

7. **OBLIGATIONS OF PERSONS UNDER THIS NOTE** If more than one person signs this Note, each person is fully obligated to keep all the promises made in this Note, including the promise to pay the full amount owed. Any person who is a guarantor, surety, or endorser of this Note is also obligated to the same extent. Any person who takes over these obligations, including the obligations of a guarantor, surety, or endorser of this Note, is also obligated to keep all of the promises made in this Note. The Note Holder may enforce its rights under this Note against each person individually or against all of us together.

8. **WAIVERS** I and any other person who has obligations under this Note waive the rights of presentment and notice of dishonor.

9. **SECURED NOTE** In addition to the protection given to the Note Holder under this Note, a Mortgage (the "Mortgage"), dated the same date as this Note, secures this Note. The indebtedness evidenced by this note is subordinate in all respects to the mortgagees) of the Senior Lien Holder(s).

DEC 02 2009

COPY

COPY
PAID

10. **GOVERNING LAW** This Note shall be governed by the laws of the State of Minnesota.
11. This agreement shall run with the aforesaid real estate and shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, representatives, successors, and assigns.

IN TESTIMONY WHEREOF, the parties have executed this agreement as of the day and year first written above.

Scott Magoon
Borrower Scott Magoon-President Fellows, LLC

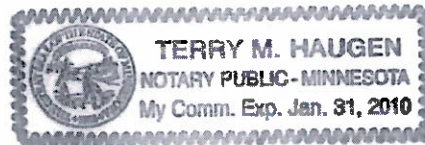
Eric C. Anderson
Borrower Eric C. Anderson-Secretary Treasurer Fellows, LLC

STATE OF MINNESOTA COUNTY OF)
Beltrami

On this 2nd day of December, 2009, before me, a Notary Public within and for said County, Scott Magoon, President Fellows, LLC personally appeared, to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Terry M. Haugen
Notary Public

My commission Expires 01-31-2010

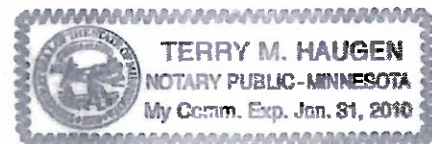


STATE OF MINNESOTA COUNTY OF)
Beltrami

On this 2nd day of December, 20 09, before me, a Notary Public within and for said County, Eric C. Anderson, Secretary-Treasurer Fellows LLC personally appeared, to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

Terry M. Haugen
Notary Public

My commission Expires 01-31-2010



THIS INSTRUMENT WAS DRAFTED BY:

Bi-County CAP, Inc.
PO Box 579
Bemidji, MN 56619

COPY DEC 02 2019
COPY
PAID

Attachment A

Lots 3 and 4, Block 2, Lake Park, and Lot 5, Block 2, Balsiger Addition.

Less that part of Lot 5, Block 2, Balsiger Addition, and that part of Lot 3, Block 2, Lake Park, described as follows: Commencing at the southeast corner of Lot 4, Block 2, Balsiger Addition; thence North 88°48'46" West, bearing assumed, along the south line of said Lot 4 a distance of 73.47 feet; thence South 01°11'14" West, a distance of 10.88 feet to the point of beginning; thence south 15°12'36" West, a distance of 70.00 feet; thence North 74°47'24" West, a distance of 40.00 feet; thence North 15°12'36" East, a distance of 70.00 feet; thence south 74°47'24" East, a distance of 40.00 feet to the point of beginning;

The South 100 feet of Lot Two (2), Block Two (2), Lake Park; and

The South 100 of Lot Four (4), Block Two (2), Balsiger Addition.

ESCROW AGREEMENT
COMMERCIAL REHABILITATION PROGRAM

DEC 02 2009

THIS AGREEMENT, made and entered into this 2nd day of December, 2009, by and between Bi-County CAP (hereinafter called "the Agent") having its office at 2529 15th Street NW, Bemidji, MN and Fellows, LLC (hereinafter called the "Borrower").

WITNESSETH:

Whereas, the City of Blackduck is the provider of a loan to improve the commercial property located at the following described tract: see attached

which loan is in the original principal sum of \$30,000.00 dated 12-2, 2009 (hereinafter called "the Loan"); and

Whereas, the Borrower and the City of Blackduck desire that the proceeds of said Borrower's matching funds provided by the Borrower in the amount of \$56,122.00 to be placed into an Escrow Account for disbursement to a contractor so as to be certain that the funds will be devoted to the purpose provided for.

Now therefore, in consideration of the covenants herein contained and the mutual benefits to be derived therefrom, it is hereby agreed between the parties hereto as follows:

1. The Borrower shall hereby deposit the proceeds of the matching funds in the amount of \$56,122.00 with the Agent, the receipt and sufficiency of which are hereby acknowledged by the Agent, to be placed into the Agent's trust account for disbursement in the manner hereinafter provided.
2. Agent shall review the contract(s) entered into between Borrower and the contractor to be assured that the contract(s) provide as a minimum, the following:
 - a. That the total contact sum for construction shall not exceed the total for all materials supplied and services performed, of which total the amount funded by the loan and the matching funds shall not exceed \$86,122.00.
 - b. That the construction to be performed shall be authorized under the requirements of the Agency and shall be in accordance with the items in the approved Work Write-up as agreed to by the Borrower and the Agency.
3. That construction draws be in such numbers and amounts as to protect the Borrower's interest in the successful completion of the project and that the Borrower and Agent shall approve all draws.
4. Agent shall inspect the site during construction and prior to final disbursement of funds to the contractor to insure that the improvements are constructed in accordance with the approved Work Write-up, that good workmanship and materials are used throughout and the structure meets Rehabilitation Standards for the program.
5. The parties hereto agree that upon the discharge of the duties undertaken herein by the Agent in accordance with the provisions as set forth, the Agent shall have on further liability to the Borrower arising from this Escrow Agreement.
6. This Escrow Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assignees.

In witness whereof, the parties hereto have executed this Escrow Agreement this day the year first written above.

Agent: Terry HansenIn Presence of: Mary AlmendingerAgency: Bi-County CAPDate: 12-2-09Borrower: Eric L. HansenIn Presence of: Mary AlmendingerDate: 12-2-09

CITY OF BLACKDUCK

COPY DEC 02 2019
COPY
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Attachment A

Lots 3 and 4, Block 2, Lake Park, and Lot 5, Block 2, Balsiger Addition.

Less that part of Lot 5, Block 2, Balsiger Addition, and that part of Lot 3, Block 2, Lake Park, described as follows: Commencing at the southeast corner of Lot 4, Block 2, Balsiger Addition; thence North 88°48'46" West, bearing assumed, along the south line of said Lot 4 a distance of 73.47 feet; thence South 01°11'14" West, a distance of 10.88 feet to the point of beginning; thence south 15°12'36" West, a distance of 70.00 feet; thence North 74°47'24" West, a distance of 40.00 feet; thence North 15°12'36" East, a distance of 70.00 feet; thence south 74°47'24" East, a distance of 40.00 feet to the point of beginning;

The South 100 feet of Lot Two (2), Block Two (2), Lake Park; and

The South 100 of Lot Four (4), Block Two (2), Balsiger Addition.

COPY

5415-570-99999-2108-2-0000

RECEIPT

DATE	12-2-09	No.	261529
RECEIVED FROM	Blockduck Family Foods-Eric Anderson		\$56,122 ⁰⁰
Fifty six thousand one hundred twenty two & ^{no} 100 DOLLARS			
☐ FOR RENT	SCDP Blackduck Commercial Escrow		
☐ FOR			
ACCOUNT		☐ CASH	FROM _____ TO _____
PAYMENT	56,122.00	☐ MONEY ORDER	
BAL. DUE		☐ CHECK	
		☐ CREDIT CARD	
		BY	Mary Almendinger

THIS AGREEMENT, made and entered into this 2nd day of December,
2009, by and between Fellows, LLC
(hereinafter referred to as "Owner"), and the City of Blackduck (Hereinafter referred to as City),
having its principal office at Summit Avenue NW, Blackduck, MN.

WITNESSETH that this Agreement jointly identifies for the City and the Owner the
improvements to Owner's property to be accomplished with Small Cities Development Grant
(SCDP) funds, but only on the condition that the Owner executes this agreement.

ARTICLE I

A. Total Costs

The project costs necessary to complete all the rehabilitation work set forth in bids and
proposals for the rehabilitation of the real estate situated in the City of Blackduck, Beltrami
County, Minnesota, and is legally described as:

see Attachment A

Include the total rehabilitation cost amount of: \$ 86,122.00

B. Agency of City Commitment

Agency or City agrees to provide a deferred loan in the amount of:

Exterior:	\$ <u>30,000.00</u>
Interior:	\$ _____
Soft Costs: Architectural	\$ _____
Contingencies	\$ _____
Total Deferred Loan	\$ <u>30,000.00</u>

C. Owner-Financial Commitment

The owner agrees to provide private funds in the amount of:

Exterior:	\$ <u>43,337.00</u>
Interior:	\$ <u>12,785.00</u>
Soft Costs: Architectural	\$ _____
Contingencies	\$ _____
Total Private Financial Commitment	\$ <u>56,122.00</u>

for the rehabilitation cost to be incurred for the real estate hereinafter described. An
Escrow Account shall be set up and must be attached to this contract.

D. Disbursal of Funds

The City will make payments only after completion of work to be performed and after
an inspection has been conducted by the Rehab Specialist, acceptance of work by the
Owner, and submission of the appropriate lien waivers to Bi-County CAP.

E. Ownership

The signatory assures that he/she has the controlling ownership of the property.

ARTICLE II – Contract Documents

The contract shall consist of the following component parts:

- a. This instrument
- b. Mortgage and Promissory Note
- c. Escrow account for private commitment
- d. Accepted bid proposal
- e. Contractor-Owner Agreement

CITY OF BLACKDUCK

DEC 02 2019

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ARTICLE III – Time for Completion

Work shall be completed within 90 days of the date of this Contract unless an extension is granted by Bi-County CAP or the City.

ARTICLE IV – Change Orders

All work shall be performed exactly as indicated in the Contract Documents. All changes must be written as change orders, signed by the Contractor, accepted by the Owner, and approved by Bi-County CAP. No payments will be made from SCDP funds except in accordance with the Contract Documents and duly executed change orders.

ARTICLE V – Inspections

Inspections will be made by the Rehab Specialist at Bi-County CAP during the course of the construction work and also after all work has been completed. Bi-CAP shall determine when intermediate inspections requested by either the Owner or the Contractor are necessary, but such inspections should not be deemed by the Contractor or the Owner as exhaustive or supervisory.

ARTICLE VI – Federal Labor Standards Provisions

The owner agrees to comply with requirements of the Davis-Bacon Act, Contract Work Hours and Safety Standards Act, and Copeland Act, as applicable.

ARTICLE VII – Equal Opportunity

The Owner agrees not to discriminate against any contractor on the basis of race, color, creed, religion, or national origin.

ARTICLE VIII – Subordination of City Lien

In the event that the Owner borrows money from a private institution to fulfill his/her obligations hereunder, the City shall subordinate the Mortgage lien to any mortgage given in furtherance of this agreement.

IN TESTIMONY WHEREOF, the parties have executed this Agreement as of the day and year first written above.

Owner: [Signature]

Date: 12-2-09

Owner: [Signature]

Date: 12-2-09

Rehab Specialist: Terry Hengen

Date: 12-2-09

**DOWNTOWN COMMERCIAL REHABILITATION AND STOREFRONT RENOVATION
SMALL CITIES DEVELOPMENT PROGRAM
CONTRACTOR - OWNER CONTRACT**

COPY

This Agreement is entered into by and between Fellows, LLC at
PO Box 357, Blackduck, MN 56630, hereinafter ~~Homeowner~~, and
JD Construction, at 23189 Perry Creek Road, Blackduck, MN,
License # 5054, hereinafter Contractor.

WHEREAS, the Contractor has submitted bid(s) for work to be performed in connection with the Small Cities Community Development Rehabilitation Loan Program, on premises located at Blackduck Family Foods and owned by Fellows, LLC;

NOW, THEREFORE, in consideration of acceptance of said bid(s) by the Owner, the Contractor agrees as follows:

CITY OF BLACKDUCK

1. CONTRACTOR CONDITIONS:

DEC 02 2019

1.1 Hold Harmless/Indemnification/Duty To Defend

Contractor shall defend, indemnify, and hold harmless the Owner and employees of the Department of Housing & Urban Development (HUD), Minnesota Department of Employment and Economic Development (DEED), the City of Blackduck, Head Waters Regional Development Commission (HRDC) and the administrators of the Small Cities Development Program (SCDP) agency, hereinafter Bi-CAP from any and all claims of action, including reasonable attorney's fees and expenses, rising out of any act or omission on the part of the Contractor or its subcontractors, partners, or independent contractors or any of their agents or employees, in the performance of or with relation to any of their agents or employees, in the performance of or with relation to any of the work or services to be performed or furnished by the Contractor or the subcontractors, partners, or independent contractors or any of their agents or employees under the Agreement.

1.2 Independent Contractor

For the purpose of this Agreement, the Contractor shall be deemed to be an Independent Contractor, and not an employee of Bi-CAP, the Head Waters Regional Development Commission (HRDC), the City of Blackduck, HUD or DEED. Any and all employees of the Contractor or other persons, while engaged in the performance of any work or services required to be performed under this Agreement, shall not be considered employees of Bi-CAP, Inc., the City of Blackduck, the Head Waters Regional Development Commission (HRDC), HUD or DEED and any and all claims that may or might arise on behalf of said employees or other persons as a consequence of any act or omission on the part of said employees or the Contractor shall in no way be the obligation or responsibility of Bi-CAP, the City of Blackduck, the Head Waters Regional Development Commission (HRDC), HUD or DEED.

JK Contractor's Initials
SS Homeowner's Initials

1.3 Insurance

Before commencing work, Contractor shall furnish Bi-CAP with certificates of insurance ensuring that the following insurance is in force. Policies shall be submitted for approval of the agency and shall be endorsed to provide that the policies will not be canceled or changed until ten days after written notice of change or cancellation has been delivered to the housing department at Bi-CAP. Coverage shall be at least as follows:

Class of Coverage	Bodily Injury	Property Damage	CITY OF BLACKDUCK DEC 02 2019 COPY PAID
(1) Manufacturer's & Contractor's	\$300,000	\$100,000	
(2) Product Incl. Compl Operations	\$300,000	\$100,000	
(3) Auto Owned, Hired or Leased	\$300,000	\$100,000	
(4) Workers' Compensation	As Required		

If any such insurance is due to expire during the construction period, the Contractor shall not permit the coverage to lapse and new certificates shall be furnished to Bi-CAP.

1.4 Lien Waivers

Contractor shall protect, defend and indemnify Owner from any claims of unpaid work, labor, or material. Payment shall not be due until the Contractor has delivered to the Owner complete release(s) of all liens arising out of the contract or receipt in full covering all labor and materials for which a lien could be filed, or a bond satisfactory to the Owner indemnifying him against any lien.

1.5 Subcontractors and Assignments

No subcontract or assignment of this contract shall be made without the written consent of the Owner and Bi-CAP's Rehab Specialist. Contractor shall furnish subcontractor lien waiver(s) upon payment.

1.6 Permits and Codes

Contractor shall secure all necessary permits and licenses required to perform the work called for by this contract, and all such work shall be in compliance with all building code regulations and ordinances whether or not covered by the specifications and drawings for the work.

1.7 Equal Employment Opportunity

(a) The Contractor shall provide equal opportunity to all persons, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age and status with regard to public assistance, disability or sexual orientation.

(b) The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, creed, sex, national origin or sexual orientation.

(c) The Contractor shall provide, to the greatest extent feasible, opportunities for training and employment to lower income residents of the area and that contracts be awarded to small businesses located within the area or owned in substantial part by area residents.

Contractor's Initials

Homeowner's Initials

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PAID**1.8 Unacceptable Risk**

Contractor certifies that he/she is not listed on the "unacceptable risk determination" list of the U.S. Department of Housing and Urban Development or the USDA Rural Economic Community Development Agency, nor excluded from participating in federally funded projects.

1.9 Proceed to Work and Completion of Work

Upon acceptance of this bid, submission of evidence of satisfactory insurance coverage, and upon receipt of the Notice To Proceed to Work Order, the work will be started. The contract work shall be fully and satisfactorily completed within 60 working days of the Proceed to Work Order date. A working day will be considered to be all days except Saturdays, Sundays, and legal holidays.

Any modification of the above shall be as set forth in Article 15 below.

1.10 Payments

Contractor shall be paid in full after the work is satisfactorily completed unless prior arrangements have been made for progress payments. Progress payments shall be limited to two, and shall be subject to ten percent (10%) retainage until final satisfactory completion. Final payment of the Contract amount will be made only after final inspection by Bi-CAP's Rehab Specialist and acceptance by the Owner of all work performed by the Contractor.

1.11 Warranty As to Workmanship and Materials

The Contractor shall remedy any defect due to faulty material or workmanship and pay for any damage to other work resulting there from which shall appear within the period of one year of final payment. Further, Contractor will furnish Owner with all manufacturer's and supplier's written guarantees and warranties covering materials and equipment furnished under this contract.

This warranty does not cover defects caused by or related to:

- (a) Abuse, misuse, negligence or accident by parties other than the Contractor; or
- (b) Normal deterioration due to wear or exposure.

1.12 Debris and Materials

The Contractor agrees that during the course of work the premises shall be kept as clean and orderly as is reasonable under the circumstances and shall remove all debris resulting from the contract work from the premises upon completion of the contract. All materials and equipment which are replaced and/or removed in the course of work shall become the property of the Contractor unless otherwise specified.

JK Contractor's Initials
JS Homeowner's Initials
du

1.13 Lead Base Paint

The Contractor agrees that no lead base paints shall be used in the course of performance under this Agreement and where lead paint may be involved, all work will be conducted in accordance with lead safe work practices.

12-2-09
Date

[Signature]
Contractor Signature

COPY

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1.14 Access to Records

The Bi-CAP agency, the City of Blackduck, the Head Waters Regional Development Commission (HRDC) DEED and HUD shall have full access to all records relating to work performed under this Agreement.

1.15 Modification

Any alteration, variation, modification, or waiver of the provisions of this Agreement shall be valid only after it has been reduced to writing, approved and signed by Bi-CAP's Rehab Specialist, the contractor, and the homeowner and attached to the original of this Agreement.

1.16 Other Remedies:

The above conditions and warranties are in addition to, and not in limitation of, any and all other rights and remedies to which the Owner, or subsequent Owners, may be entitled, at law or in equity, and shall survive the conveyance of title, and shall be binding on the undersigned notwithstanding any provision to the contrary contained in any instrument heretofore or hereafter executed by the Owner.

1.17 Termination of Contract:

If either party wishes to terminate this contract for any cause, they shall provide the other party with ten days notice and the contractor shall be duly compensated for any work satisfactorily completed at the point of termination.

1.18 Notice to Contractor:

You are required by Minnesota Statute, Section 270.66, to provide your Federal or MN Tax Identification Number or your Social Security Number if you do business with a public body. This information may be used in the enforcement of federal and state tax laws. Supplying these numbers could result in action to require you to file state tax returns and pay required taxes. This contract will not be approved unless these numbers are provided.

MN Tax ID

41-1709445
Federal Tax ID

Social Security No.

1.19 Contract

This contract consists of the bid and proposal, the general conditions as outlined above, and the description of the work to be completed as shown on the Work Write-up.

[Signature]
[Signature]

Contractor's Initials
Homeowner's Initials

1.20 Confidentiality

The Contractor agrees that client names and any other information released to Contractor by Bi-CAP shall be kept confidential and shall be used only in connection with the performance of said duties under the SCDP. In case of a conflict between this paragraph and the Minnesota Data Practices Act, the Minnesota Data Practices Act shall govern. Upon termination of this agreement Contractor agrees to return all items which could be classified as trade secrets or confidential materials to Bi-CAP. The provisions of this clause shall be perpetual in duration and shall extend beyond the termination of this agreement.

1.21 Bid and Proposal

For the consideration named herein, the undersigned Contractor proposes to furnish all work, material and labor to complete the work in accordance with the attached work write-up (Specifications) and the General Conditions outlined above for the sum of \$ 86,122.00.

CITY OF BLACK DUCK

2. OWNER CONDITIONS:

- 2.1 The Owner certifies that the Small Cities Development Loan Fund shall be used for eligible improvements only, and shall not be applied to any work begun or completed before the date of the Proceed to Work Order or any changes not previously approved under a change order.
- 2.2 The Owner shall permit the Contractor to use, at no cost, existing utilities such as light, heat, power and water necessary to the carrying out and completion of the work. Further, Owner will cooperate with the Contractor to facilitate the performance of the work, including the removal and replacement of rugs, coverings and furniture as necessary.
- 2.3 Materials and equipment that have been removed and/or replaced as part of the work shall belong to the Contractor unless otherwise specified.
- 2.4 The Owner certifies receipt of the EPA form entitled, "Protect Your Family from Lead in Your Home".
- 2.5 The Owner is responsible for normal maintenance of all improvements. If a problem occurs which the Owner believes is covered by the warranty, the Owner shall contact the Contractor in writing, giving the Contractor sufficient information to enable him to resolve the matter.
- 2.6 The Owner understands and agrees with the attached work write-up and agrees to permit Contractor access to the premises to be improved to the extent necessary to complete the improvements specified.
- 2.7 The Owner agrees that the improvements specified in the attached work write-up shall be inspected by Bi-CAP's Rehab Specialist before funds are disbursed.

JK Contractor's Initials
AM Homeowner's Initials

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COPY

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PAID**3. MISCELLANEOUS PROVISIONS:****3.1 Entire Agreement**

This Agreement sets forth the entire agreement and understanding between the Contractor and the homeowner regarding the subject matter hereof and supersedes any prior representation, statements, proposals, negotiations, discussions, understandings, or agreements regarding the same subject matter.

3.2 Severability

Every Provision of this Agreement shall be construed, to the extent possible, so as to be valid and enforceable. If any provision of this agreement so construed is held by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, such provision shall be deemed severed from this Agreement, and all other provisions shall remain in full force and effect.

3.3 Controlling Law

This Agreement shall be interpreted in accordance with the substantive laws of the State of Minnesota.

3.4 Fact Finding Inquiries

As a condition of entering into this Agreement, Contractor and homeowner agree to cooperatively participate in any fact finding inquiries or investigations relative to the subject matter of this Agreement which may be initiated by Bi-CAP or other applicable entity.

3.5 Disputes

The Owner understands and agrees that at any and all disputes, of whatever kind or nature, in conjunction with this Agreement, are solely the disputes of the Owner and Contractor to resolve without legal involvement, whether by lawsuit or otherwise. **ANY ACTS OF BI-CAP OR THE CITY OF BLACKDUCK ARE SOLELY IN FURTHERANCE OF ITS INTEREST AS A LENDER AND ADMINISTRATOR OF THE SMALL CITIES DEVELOPMENT PROGRAM AND OWNER SHALL HAVE NO RECOURSE AGAINST THE CITY OF BLACKDUCK OR BI-COUNTY CAP, INC. FOR ANY BREACH BY CONTRACTOR OF THIS OR ANY RELATED AGREEMENT.**

JK Contractor's Initials
DM Homeowner's Initials

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3. MISCELLANEOUS PROVISION CONTINUED:

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PAID

3.6 Alternative Dispute Resolution

THE PARTIES AGREE TO PROMPTLY SUBMIT TO MEDIATION (WITHIN TEN [10] WORKING DAYS OF REACHING AN IMPASSE) ANY DISPUTE OR CONTROVERSY ARISING UNDER THIS AGREEMENT WHICH CANNOT BE RESOLVED BY THE PARTIES THROUGH DIRECT COMMUNICATION WITHOUT MEDIATION. THE PARTIES FURTHER AGREE TO MEDIATE IN GOOD FAITH. THE MEDIATOR TO BE SELECTED SHALL BE LISTED ON THE MINNESOTA ROSTER OF NEUTRALS AND SHALL EITHER BE SELECTED BY THE MUTUAL AGREEMENT OF THE PARTIES OR BY EACH PARTY SUBMITTING A LIST OF UP TO THREE (3) QUALIFIED MEDIATORS AND THEN ALTERNATELY STRIKING NAMES. THE PARTIES SHALL FLIP A COIN TO DETERMINE WHICH PARTY SHALL STRIKE THE FIRST NAME. THE PARTIES SHALL EQUALLY SHARE THE COSTS OF MEDIATION. MEDIATION SHALL BE CONDUCTED IN ACCORDANCE WITH THE MINNESOTA CIVIL MEDIATION ACT.

ANY PERSON WHO MAKES A FALSE STATEMENT OR MISREPRESENTATION IN CONNECTION WITH THE APPLICATION FOR OR USE OF A SMALL CITIES DEVELOPMENT PROGRAM LOAN MAY BE SUBJECT TO FEDERAL CRIMINAL OFFENSE PENALTIES.

ACCEPTANCE BY CONTRACTOR


Signature of Authorized
Representative

12-2-09

Date

Jim Krabbenhoft-owner-PARTNER
Title

JD Construction
Firm Name

23189 Perry Creek Road, Blackduck, MN 56630
Firm Address

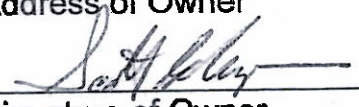
ACCEPTANCE BY OWNER

Fellows LLC, Maquoket
Scott Anderson-President
Eric C. Anderson-Secretary/Treasurer
Name of Owner(s) (Print)

12-2-09

Date

PO Box 357, Blackduck, MN 56630
Address of Owner


Signature of Owner


Signature of Owner

**Preconstruction
Conference Report**

CITY OF BLACKDUCK

READ CAREFULLY BEFORE SIGNING

Project # 415-400

DEC 02 2019

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PAID

I (We), the undersigned, have on this date at Bi-CAP office participated in a Preconstruction Conference prior to the beginning of rehabilitation on my (our) property. I (We) acknowledge the terms of the Contractor/Owner Contract, the explanation of work to be done, the roles of the Rehabilitation staff, and our responsibilities during the construction phase. I (We) further understand that the Housing Rehabilitation program assumes no responsibilities for the work performed and does not warrant any work performed.

Signature of Property Owner: [Signature]

Date: 12-2-09

Signature of Property Owner: [Signature]

Date: 12-2-09

I, the undersigned, hereby certify that the Preconstruction Conference was held on this date between the property owner(s), the Housing Rehabilitation staff, and myself. I understand the procedures to be followed for change orders and request for payment and inspections. I understand and agree that the work performed must meet the standards of performance set by the program and established by the program specifications and work write-up.

Signature of Contractor: [Signature]

Date: 12-2-2009

Title: OWNER

I, the undersigned, hereby certify that I participated in a Preconstruction Conference on this date.

Signature of Rehabilitation Advisor: [Signature]

Date: 12-02-2009

**Notice To
Proceed**

COPY

I, the undersigned, hereby authorize the contractor to proceed with work on the property known as Blackduck Family Foods within 3 days of the execution of this document. The property will be available to the contractor to perform the work stated in the Contractor/Owner Contract between 6 a.m. and 12 p.m., Monday through Friday, unless otherwise specified by the owner. If the contractor does not begin work within the specified time, the owner may upon proper notification, consider the property improvement contract to be in default.

☐ I elect to withhold authorization to proceed until a later date at which time a separate Notice to Proceed will be issued.

Signature of Property Owner:

E. L. Gundersen
Scott Gundersen

Date:

12/2/09

12/2/09

Signature of Agency Staff:

Berry Haugen

Date:

12-3-09

CITY OF BLACKDUCK

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

August 5, 2022

Blackduck Co-op

2022-2023 Pre-Buy Propane contract for Heating Season

Please place the following amounts of propane to the requested departments for this year's pre-buy:

<u>Tank Address / Department</u>	<u>Number of Gallons</u>	<u>Total Amount due</u>
72 Railroad / Maintenance	685	\$1,472.75
33 Margaret / Fire Dept.	1,000 <i>(168 carryover from 21-22)</i>	\$1,975.65 <i>(\$361.15 carryover from 21-22)</i>
80 Main Street / Police Dept.	685 <i>(155 carryover from 21-22)</i>	\$919.38 <i>(\$333.61 carryover from 21-22)</i>
<u>224 Frontage Rd / Liquor Store</u>	<u>5000</u>	<u>\$10,750.00</u>
Total:	7,370	\$15,845.50 check total \$15,150.74

If you have any questions regarding the above requests please contact Christina at Blackduck City Hall 218-835-4803.

The City of Blackduck appreciates your assistance and service.

Sincerely,
Christina Regas
City Administrator

www.blackduckmn.com

Phone: (218) 835-4803 Fax: (218) 835-4801 Email: city@paulbunyan.net

"The City Of Blackduck Is An Equal Opportunity Provider"



Blackduck Co-op Ag. Services, Inc.

P.O. Box 159

Blackduck, MN 56630

218-835-4905

bdcoop@paulbunyan.net

City of Blackduck
JUL 22 2022

Pre-Buy Propane contract for 2022-23 Heating Season

Contract price: **\$2.15** (Cash) **\$2.19** (Credit/Debit Card) per gallon

Pre-buy contracts are now available for the 2022-23 heating season. You are **NOT OBLIGATED** to purchase a pre-buy contract, but it is available to you if you so choose.

Please review the following:

- It is required that the customer be home when a pressure check is necessary.
- If you shut off your tank – it is still an interruption of service and a pressure check is still required.
- If you require a pressure check, there will be an additional \$45.00 charge.
- If you require a same day delivery (ordered prior to 1 pm) there will be an additional \$175.00 charge. This charge includes a pressure check.
- If you require a next day delivery, there will be an additional \$75.00 charge. This charge includes a pressure check.
- If you require a delivery (ordered after 1 pm) or service work after business hours, there will be an additional \$250.00 charge.
- If you require a delivery or service work on a holiday, there will be an additional \$300.00 charge.
- After hours service and holiday service work will be billed at the prevailing rate of \$90.00 per hour after the first hour.
- If you allow your tank to run empty 3 times in one season, we will have the option of removing your tank.

City of Blackduck
JUL 22 2022

2022-23 Pre-buy Contract

This contract must be returned with payment no later than August 24, 2022

Contract is valid from October 1, 2022 through March 31, 2023

Print Name: City of Blackduck Phone 218-835-4803

I wish to purchase 7,370 gallons @ \$2.15 / \$2.19 per gallon = \$ 15,150.74

Please apply the following tanks to my contract: All ☒

see attached

- Minimum pre-buy quantity of 300 gallons. This offer is non-transferable.
- All deliveries on or after October 1, 2022 must be applied to this contract. The last date pre-buy may be used is March 31, 2023. Any unused pre-buy money will be applied to your open account after March 31, 2023.
- Tank must be filled at the time of delivery.
- Gallons purchased in excess of pre-buy gallons will be billed at the open market price.
- Signed contract and payment must be in our office no later than August 24, 2022.
- All outstanding balances on accounts must be paid in full to take advantage of this offer.
- Your pre-buy price is fixed whether market conditions go up or down.
- The Co-op will make every effort to fill all tanks with remaining pre-buy gallons left on contracts prior to the expiration date.
- After hours calls will be charged \$250.00 in addition to the gas delivery and service fees.
- Your delivery status will remain the same. Call in orders will remain as call ins.

Signed: Christina Agas

Date: 8-5-2022

By signing this form, I agree to all of the terms and conditions of this contract

8/3/2022

Place	Address	Gal. Filled	Date Filled	2021/2022 Cenex Prebuy	2022 Budget	2021 Remaining Budget	2022 Heating Fund Balance of Budget as of 7/31/2022	2020-2021 Remaining Budget	2021-2022 Actual Amt. used	Prebuy Balance to carry over	Balance available for next pre buy per budget	2022 Prebuy Cost	Recommended # of Gallons to purchase
LEC	80 Main	141.70	11/30/2021	\$239.47 PB									
LEC	80 Main	260.90	1/25/2022	\$440.92 PB									
LEC	80 Main			\$0.00									
LEC	80 Main	402.60		\$0.00					402.60				
				\$1,014.00	\$1,200.00	-\$54.23	\$1,140.00	\$585.77	\$660.39	\$312.61	2016.18	\$1,077.79	683
Fire Dept	33 Margaret Ave	328.10	1/25/2022	\$554.49 PB									
Fire Dept	33 Margaret Ave	410.20	1/6/2022	\$693.24 PB									
Fire Dept	33 Margaret Ave	398.70	2/16/2022	\$673.80 PB									
Fire Dept	33 Margaret Ave	414.90	3/11/2022	\$701.18 PB									
Fire Dept	33 Margaret Ave	385.00	4/25/2022	\$885.50									
Fire Dept	33 Margaret Ave	260.40	11/30/2021	\$440.08 PB									
Fire Dept	33 Margaret Ave	2197.30		\$0.00					2197.30				
				\$3,423.94	\$2,500.00	-\$1,243.88	\$1,614.50	\$370.62	\$5,144.28	\$961.15	\$1,828.65	\$2,150.00	1,000
Liquor	224 Frontage	100.00	8/4/2021	\$169.00									
Liquor	224 Frontage	413.00	11/18/2021	\$697.97 PB									
Liquor	224 Frontage	408.00	12/6/2021	\$690.37 PB									
Liquor	224 Frontage	178.00	12/13/2021	\$301.67 PB									
Liquor	224 Frontage	52.00	12/13/2021	\$107.64									
Liquor	224 Frontage	411.00	12/27/2021	\$842.55									
Liquor	224 Frontage	264.00	1/3/2021	\$541.20									
Liquor	224 Frontage	296.40	1/25/2022	\$586.87									
Liquor	224 Frontage	169.10	1/17/2022	\$334.82									
Liquor	224 Frontage	275.60	1/10/2022	\$526.40									
Liquor	224 Frontage	264.30	1/3/2022	\$504.81									
Liquor	224 Frontage	200.00	2/1/2022	\$416.00									
Liquor	224 Frontage	225.00	2/9/2022	\$495.00									
Liquor	224 Frontage	279.00	2/17/2022	\$613.80									
Liquor	224 Frontage	275.00	2/25/2022	\$605.00									
Liquor	224 Frontage	141.00	3/3/2022	\$310.20									
Liquor	224 Frontage	162.70	3/21/2022	\$374.21									
Liquor	224 Frontage	172.00	3/11/2022	\$395.60									
Liquor	224 Frontage	256.00	4/4/2022	\$588.80									
Liquor	224 Frontage	156.90	4/14/2022	\$345.18									
Liquor	224 Frontage	289.00	5/2/2022	\$635.80									
Liquor	224 Frontage	4988.00		\$0.00					4988.00				
				\$1,690.00	\$3,500.00	-\$4,763.65	-\$6,031.96	-\$10,795.61	\$10,082.89	-\$0.01	-\$10,795.62	\$10,750.00	5000
Maintenance Bldg	72 Railroad Ave	378.60	1/26/2022	\$639.83 PB									
Maintenance Bldg	73 Railroad Ave	264.60	2/15/2022	\$447.17 PB									
Maintenance Bldg	74 Railroad Ave	163.00	3/24/2022	\$276.15 PB									
Maintenance Bldg	75 Railroad Ave	148.80	3/24/2022	\$357.12									
Maintenance Bldg	76 Railroad Ave	316.40	4/14/2022	\$696.08									
Maintenance Bldg	77 Railroad Ave	75.30	11/18/2021	\$127.26 PB									
Maintenance Bldg	72 Railroad Ave	313.10	12/28/2021	\$529.14 PB									
				\$958.23									
				1,195	\$2,000.00	\$537.63	\$886.80	\$1,424.43	\$3,072.75	\$0.00	\$1,424.43	\$1,472.75	685
				\$5,072.75									

2022-23 Propane Pre Buy

Department	Winter Season Usage in gallons 2020-2021	Average of 2 Seasons in gallons	Average Season Usage x Prebuy at \$1.69 per gallon	Last Season Carry Over	Aproximate gallons of Propane left in tank as of July 2022	Prebuy estimate minus last season carry over & what is left in tank as of July 2022
Police	260.9	442	\$747.54	\$333.61	3000 Filling tank @ 2.15	\$4,734.00
Maint.	1271.4	1954	\$3,302.49	\$0.00	1000 Filling tank @ 2.15	\$1,152.00
Fire	1936.9	2756	\$4,657.87	\$361.15	1000 Filling tank @ 2.15	\$2,147.00
Liquor	4988.00	3325	\$5,619.81	-\$0.01	1000 Filling tank @ 2.15	\$3,469.82

6 Year Average

Department	Winter Season Usage in gallons 2015-2016	Winter Season Usage in gallons 2016-2017	Winter Season Usage in gallons 2017-2018	Winter Season Usage in gallons 2018-2019	Winter Season Usage in gallons 2019-2020	Winter Season Usage in gallons 2020-2021	Winter Season Usage in gallons 2021-2022	Average of 6 seasons in gallons
Police	627.7	658.20	786	750.5	548	260.90	402.6	672
Maintenance	666.7	1170.60	593	968	1051.6	1271.40	1659.8	1230
Fire	1270.5	638.00	1621.3	1596	1573	1936.90	2197.3	1806
Liquor	0	0.00	0	0	0	0	4988	831

April 13, 2022

Blackduck Co-op Ag Service

265 Cedar Ave. SE

P.O. Box 159

Blackduck, MN 56630

This letter is to inform you of the remaining propane prebuy credit and account history throughout the prebuy contract season. The credit of \$ 696.11 dollars has been left in your prebuy account. It will remain in that account unless otherwise specified. Attached is a break-down of the four different departments delivered to this past prebuy season.

If you have any questions regarding this letter, please feel free to contact our office.

Sincerely,

Blackduck Co-op Ag Service

218-835-4905

<u>Tax</u>	<u>Date</u>	<u>Invoice #</u>	<u>Gallons</u>	<u>Amount \$</u>
51.48	11-18-21 Pond	30872	413.	✓ 697.97
	11-18-21 Maint.	30878	75.3	✓ 127.26
	11-30-21 Fire.	30983	260.4	✓ 440.08
	11-30-21 Law	30984	141.7	✓ 239.47
50.91	12-6-21 Pond	31019	408.5	✓ 690.37
22.25	12-13-21 Pond	31110	178.5	✓ 301.67
	12-28-21 Maint.	31284	313.1	✓ 529.14
	1-6-22 Fire	317963	410.2	✓ 693.24
	1-25-22 Law	31701	260.9	✓ 440.92
	" Fire	31702	328.1	✓ 554.49
	1-26-22 Maint.	52780	378.6	✓ 639.83
	2-15-22 Maint.	31939	264.6	✓ 447.17
	2-16-22 Fire.	31964	398.7	✓ 672.80
	3-11-22 Fire	52265	414.9	✓ 701.18
	3-24-22 Maint.	32344	163.4	✓ 276.15

<u>Maint \$2019.55</u>	<u>Fire Dept. \$3423.94</u>	<u>Police \$104.00</u>	<u>Pond 1690.00 = \$8148.85</u>
127.26	440.08	239.47	697.97
529.14	693.24	440.92	690.37
639.83	554.49		301.67
447.17	673.80	\$ 680.39	1690.01
276.15	701.18		
<u>\$ 2019.55</u>	<u>\$ 3062.79</u>	<u>+ 333.61 credit left</u>	<u>- .01 overage</u>
<u>0</u>	<u>+ 361.15 credit left</u>		

(There was \$1.36 extra credit in prebuy to start the year)

$$\$694.75 + \$1.36 = \$696.11 \text{ total}$$

MAY 31 2022



Dobmeier Excavating & Septic Service Plus



Karl Dobmeier
21440 Hines Rd NE
Hines, MN 56647
(218)368-2818

State Licence
#3006

PROPOSAL SUBMITTED TO <i>City of Blackduck</i>	PHONE	DATE <i>5/31/22</i>
STREET	JOB NAME	
CITY, STATE, ZIP CODE	E-MAIL ADDRESS	
Parcel ID#		

We hereby submit specifications and estimates for: *Demo of 48 main St., 40 main St., & 32 main St.*
All labor & material To Remove Buildings and Fill Basements
w/ Clay like material. Leaving Basement walls Next to
movie theater, main St., Anderson Fabric and partial walls
along alley way as per #8 drawings. Concrete Floors to
be Busted & left in place. Concrete Footings to Remain
in place along w/ large poured concrete pieces, Poured in
place Concrete Stair Case To Remain in place. At Grade
Concrete Slab to Be Removed From 32 main. Black dirt & Hand
Seed 75'x75' Area. Note: Damage to tar behind Anderson's
Fabric may occur. Option to Remove Tar and Replace w/
Crushed class 5 Granit Aprox 75'x75' (Add \$2100⁰⁰)
Total *\$113,140⁰⁰*

We Propose hereby to furnish material and labor -complete in accordance with the above specifications, for the sum of:

dollars (\$ *113,140⁰⁰*)

Payment to be made as follows: *\$40,000 down, \$40,000 End of July, \$33,140 End of Aug.*

Aprox. Start Date 7/5/2022, Aprox Completion date 8/31/2022

All material is guaranteed to be as specified. Electrical connection NOT included. All work to be completed in a workman like manner according to standard practices. Any alterations or deviations from above specifications involving extra costs will be executed only upon written orders and will become an outstanding charge over and above the estimate. All agreements contingent upon strikes, accidents, or delays beyond our control. Owner to carry all necessary insurance.

Authorized
Signature *Karl Dobmeier*

Note: This proposal may
be withdrawn by us if
not accepted within

30

days

Acceptance of Proposal -The above prices, specifications, and conditions are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance:

6-6-2022

Signature *[Signature]*

Signature *[Signature]*



CITY OF BLACKDUCK

08/03/22 1:43 PM

Page 1

Payments

Current Period: July 2022

Payments Batch MainStDEvpay2-72022 \$40,000.00

Refer	51 DOBMEIER EXCAVATING	Ck# 000188E 7/28/2022	
Cash Payment	E 250-46600-300 Professional Srvs (GENE 2nd pay app for Main Street Redevelopment project demolsion		\$40,000.00
Invoice 073122	7/31/2022	Project 2021	
Transaction Date	7/28/2022	Deerwood Money M 10104	Total \$40,000.00

Fund Summary

	10104 Deerwood Money M
250 2018 REVOLVING LOAN FUND	\$40,000.00
	<u>\$40,000.00</u>

Pre-Written Checks	\$40,000.00
Checks to be Generated by the Computer	\$0.00
Total	<u>\$40,000.00</u>

FOR DEPOSIT ONLY
CITY OF BLACKDUCK
DEERWOOD BANK
PAY TO THE ORDER OF

From: RIM - 11624

75-712/919

Check No:
08/03/2022

255697

Reference:

Remitter: City Of Blackduck

Amount:

\$40,000.00

Pay to the order of: Dobmeier Excavating & Septic Service

Pay: Forty Thousand Dollars And Zero Cents

Dobmeier Excavating & Septic Service

Non Negotiable 5 505 76 2 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 902
HARLAND CLARKE 800-552-2902 M25418 10212643

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD TO LIGHT TO VIEW



**DEERWOOD
BANK**

16 Summit Ave W • PO Box 429 • Blackduck, MN 56630
800-291-6597

Cashiers Check
75-712/919

Check No: 255697
08/03/2022

Remitter: City Of Blackduck

Reference:

Amount:

\$40,000.00

Pay to the order of: Dobmeier Excavating & Septic Service

Pay: Forty Thousand Dollars And Zero Cents

Dobmeier Excavating & Septic S

Renee Hassel Shere Nord



⑈ 255697 ⑈ ⑆091907125⑆ 0002009710⑈



Rural Development

August 4, 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 #4

Dear Mayor:

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

PPE #3:

TNT Construction Group, LLC	\$216,125.00
Total	<u>\$216,125.00</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)**
=\$216,125.00
- Total:**
\$216,125.00

Remaining Fund Balances:

Applicant Contribution –	\$ 0.00
Interim Financing/RD Loan #1 -	\$1,168,193.60
Interim Financing/RD Loan #2-	\$ 310,000.00
Total Funds still available:	\$1,478,193.60

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 program.intake@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.

3

PAGE 1

OWNER:

City of Blackduck, MN

CONTRACTOR:

TNT Construction Group, LLC

PERIOD OF ESTIMATE

FROM 7/01/2022 TO 7/31/2022

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	\$127,541.00 \$0.00
				3. Revised Contract (1 + 2)	\$1,936,459.00 \$0.00
				4. Work Completed*	\$603,350.00
				5. Stored Materials*	0.00
				6. Subtotal (4 + 5)	\$603,350.00 \$0.00
				7. Retainage*	\$30,167.50
				8. Previous Payments	\$357,057.50
				9. Amount Due (6-7-8)	\$216,125.00 \$0.00
TOTALS		\$10,850.00 \$0.00	\$138,391.00 \$0.00	* Detailed breakdown attached	
NET CHANGE		\$10,850.00 \$0.00	\$138,391.00 \$0.00		

CONTRACT TIME

Original (days) 280

Revised

Remaining 173

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

By

Date

7/26/2022

APPROVED BY OWNER:

Owner

Christina A. Regas

By

Christina Regas

Date

08/04/2022

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 8/3/2022

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

Area Specialist

Date

08/04/2022

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 0575-0042. 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.



AIA® Document G703® – 1992

Continuation Sheet

AIA Document G703®, 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:
APPLICATION DATE:
PERIOD TO:
ARCHITECT'S PROJECT NO:

003
July 25, 2022
July 31, 2022
2020-11912

A	B	C	D		E	F	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		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)
			FROM PREVIOUS APPLICATION (D + E)							
	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	100,000.00		67,000.00	0.00	167,000.00	60.29%	110,000.00	0.00
	CARPENTRY	291,409.00	0.00		88,500.00	0.00	88,500.00	30.37%	202,909.00	0.00
	DRYWALL	30,200.00	0.00		0.00	0.00	0.00	0.00%	30,200.00	0.00
	CONCRETE / TESTING	183,000.00		0.00	48,000.00	0.00	48,000.00	26.23%	135,000.00	0.00
	MISCELLANEOUS METALS	43,000.00		0.00	16,000.00	0.00	16,000.00	37.21%	27,000.00	0.00
	INSULATION / FIREPROOF	55,000.00		0.00	0.00	0.00	0.00	0.00%	55,000.00	0.00
	DOORS	74,000.00		0.00	0.00	0.00	0.00	0.00%	74,000.00	0.00
	GARAGE DOORS	65,500.00		0.00	0.00	0.00	0.00	0.00%	65,500.00	0.00
	ACCESSORIES	6,000.00		0.00	0.00	0.00	0.00	0.00%	6,000.00	0.00
	MECHANICAL	432,000.00		0.00	0.00	0.00	0.00	0.00%	432,000.00	0.00
	ELECTRICAL	150,000.00		0.00	0.00	0.00	0.00	0.00%	150,000.00	0.00
	DIRT / UTILITY / STAKING	288,500.00		235,000.00	8,000.00	0.00	243,000.00	84.23%	45,500.00	0.00
	VALUED ENGINEERING	138,391.00		0.00	0.00	0.00	0.00	0.00%	138,391.00	0.00
	CO I 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
		0.00		0.00	0.00	0.00	0.00	0.00%	0.00	0.00
		0.00		0.00	0.00	0.00	0.00	0.00%	0.00	0.00
		0.00		0.00	0.00	0.00	0.00	0.00%	0.00	0.00

A	B	C	D		E	F	G		H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	FROM PREVIOUS APPLICATION (D + E)	WORK COMPLETED	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)
		0.00	0.00		0.00	0.00	0.00	0.00%	0.00	0.00
	GRAND TOTAL	\$1,936,459.00	\$375,850.00		\$227,500.00	\$0.00	\$603,350.00	31.16%	\$1,333,109.00	\$0.00

Field Report

Project Title: Combined Maintenance and Police Facility

Project Number: 2020-11912

Field Report #: 04

Date: July 28, 2022

Time: 11:10 am – 11:55 am

Weather: Partly cloudy with scattered rain showers

Temp. Range: 65 - 67

Contractors on site: Framing crew

Observation:

1. The exterior walls had the ½” plywood wainscoting installed at the exterior side.
2. The prefinished metal base flashing is installed as noted on sheet A5.12 of the project drawings.
3. The east and west canopies are installed.
 - a. The canopy truss layout has a truss at the center of the door location. Therefore, the canopy light fixture will need to be offset from the center of door.
4. The exterior west, south and east walls had the weather barrier in place.
5. The exterior metal wall panel installation was under way.
 - a. The west wall is around 70% complete.
 - b. The south wall had the white metal wall panels installed.
 - c. The wainscoting through wall flashing is installed.
6. The exterior windows are installed at the west and south elevations. The contractor was finishing the window installation at the east elevation.
 - a. The metal trimming around the windows is installed as noted in the drawings.
7. The underground plumbing installation was under way – about 60% completed.
8. The underground electrical conduit installation had started.
9. The mezzanine’s LVL beams at the exterior walls were installed with the metal brackets installed as noted in Detail 1/S5.1.
10. Discussed the wolminized LVL at the “lean-to” header with Eldon, project supervisor. They are waiting for all the materiel to arrive to the site and then complete the replacement of the header.
11. Photos were taken of the entire site and building area.

Information or Action Required:

1. Reviewed location of vehicle lift with Mike Schwanke. The lift will be in the bay at Door 110E. Mike will coordinate the lift mounting locations with Eldon, prior to the installation of the floor heat tubing.
2. The Contractor shall verify final grading of site (concern on the east side) to insure proper drainage from parking area prior to seeding.

Reported By: Todd Skyberg
Architectural Technician

Attachment: (3) construction photos





PROGRESS MEETING #4

July 28, 2022

Re: Combined Maintenance and Police Facility

Subject: Meeting Minutes

Attendees: Christina Regas, City Administrator
Mike Schwanke, Public Works Director
Ron Fredrickson, City Councilor
Clay Witkofsky, TNT Construction Group LLC
Chad Hammerlund, TNT Construction Group LLC
Todd Skyberg, WIDSETH

Location: Blackduck City Hall

Please note that meeting minutes will be distributed by email only.

1. Outstanding Items from Previous Meetings:

1.1. The Contractor to verify a trolley system is provided with the pressure washer system.

1.1.1. The Contractor has verified that a trolley system will be provided with the pressure washer system.

2. Review of Work Progress:

2.1. Progress since last meeting:

2.1.1. The window and door openings have been framed in.

2.1.2. The window installation has started.

2.1.3. The exterior metal wall panel installation has started.

2.1.4. The plumbing and electrical below grade work has started.

2.1.5. The Contractor noted about two days behind in accordance with the construction schedule.

2.2. Sequence of work progress:

2.2.1. Finish installing the exterior metal wall panels.

2.2.2. Finish the window installation.

2.2.3. Finish the underground plumbing and electrical installation.

2.2.4. The concrete floor placement is scheduled for the week of August 8th.

2.3. Required coordination's to maintain schedule:

2.3.1. None currently.

3. Status of Submittals:

3.1. Reviewed and approved since last progress meeting:

3.1.1. 08 5413 Fiberglass Windows – Re-submittal for different manufacturer

3.1.2. 23 0913 Instrumentation and Control Devices for HVAC

3.1.3. 23 2123 Hydronic – Re-submittal

3.1.4. 23 5216 Condensing Boilers

3.1.5. 23 7223 Packaged Air-to-Air Energy Recovery Units

3.2. Submittals under review:

3.2.1. None currently

3.3. Rejected submittals:

3.3.1. None currently.

3.4. Submittals scheduled for submission:

- 3.4.1. 05 5213 Pipe & Tube Railings
- 3.4.2. 06 2000 Finish Carpentry
- 3.4.3. 07 2500 Weather Barriers – vapor retarder
- 3.4.4. 07 9200 Joint Sealant
- 3.4.5. 09 9600 High-Performance Coatings – trench drain epoxy painting
- 3.4.6. 12 3200 Manufactured Wood Casework
- 3.4.7. 22 0553 Identification for Plumbing Piping & Equipment
- 3.4.8. 22 1005 Plumbing Piping
- 3.4.9. 23 0553 Identification for HVAC Piping & Equipment
- 3.4.10. 23 2500 HVAC Water Treatment
- 3.4.11. 23 3100 HVAC Ducts & Casings
- 3.4.12. 23 3300 Air Duct Accessories
- 3.4.13. 23 5100 Breechings, Chimneys and Stacks
- 3.4.14. 26 0919 Enclosed Contactors
- 3.4.15. 26 2100 Low-Voltage Electrical Service Entrance
- 3.4.16. 26 2913 Enclosed Controllers

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

- 4.1. A portion of the header for the future “lean-to” has been changed to a wolminized LVL. The remaining portion will be changed out as soon as the remaining wolminized LVL beam is delivered.

5. Request for Information (RFI's):

- 5.1. The BEC is requiring CT cabinets for metering rather than a meter base.
 - 5.1.1. WiDSETH directed the Contractor to install the metering as per the Utility requirements.

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

- 6.1. ASI #1 was issued June 13, 2022. It adjusted the number of nails used at the LVL beam connections; provided additional 2X6 blocking at the typical wall column
- 6.2. ASI #2 was issued to The Contractor June 24, 2022. It revised the SW site entry design and the SE road paving patch.

7. Status of Proposal Requests:

- 7.1. WiDSETH is currently reviewing the pricing for ASI #2 and SE road paving patch with The Owner.

8. Status of Change Orders:

- 8.1. Change Order #01 – Value Engineering: Approved
- 8.2. Change Order #02 – bad soils at building area: Approved

9. Applications for Progress Payments

- 9.1. Pay Application No: 003 has been submitted for approval.
 - 9.1.1. WiDSETH to review pay application at today's site visit.
- 9.2. The Contractor was directed to inform their sub-contractors and suppliers if they have an issue with the pay application format or process to contact WiDSETH.

10. Schedule next Progress Meeting:

- 10.1. The next progress meeting is scheduled for August 11th.
 - 10.1.1. Meet at City Hall; Time: 10:30 AM.

11. Other Discussion Items:

- 11.1. Ron Fredrickson requested information on the road paving contractor from TNT Construction Group.
- 11.2. Mike Schwankee discussed a vehicle lift to be installed in one of the Maintenance Facility bays. Mike will review the style of lift and will coordinate with the contractor prior to the installation of the floor heat tubing.

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

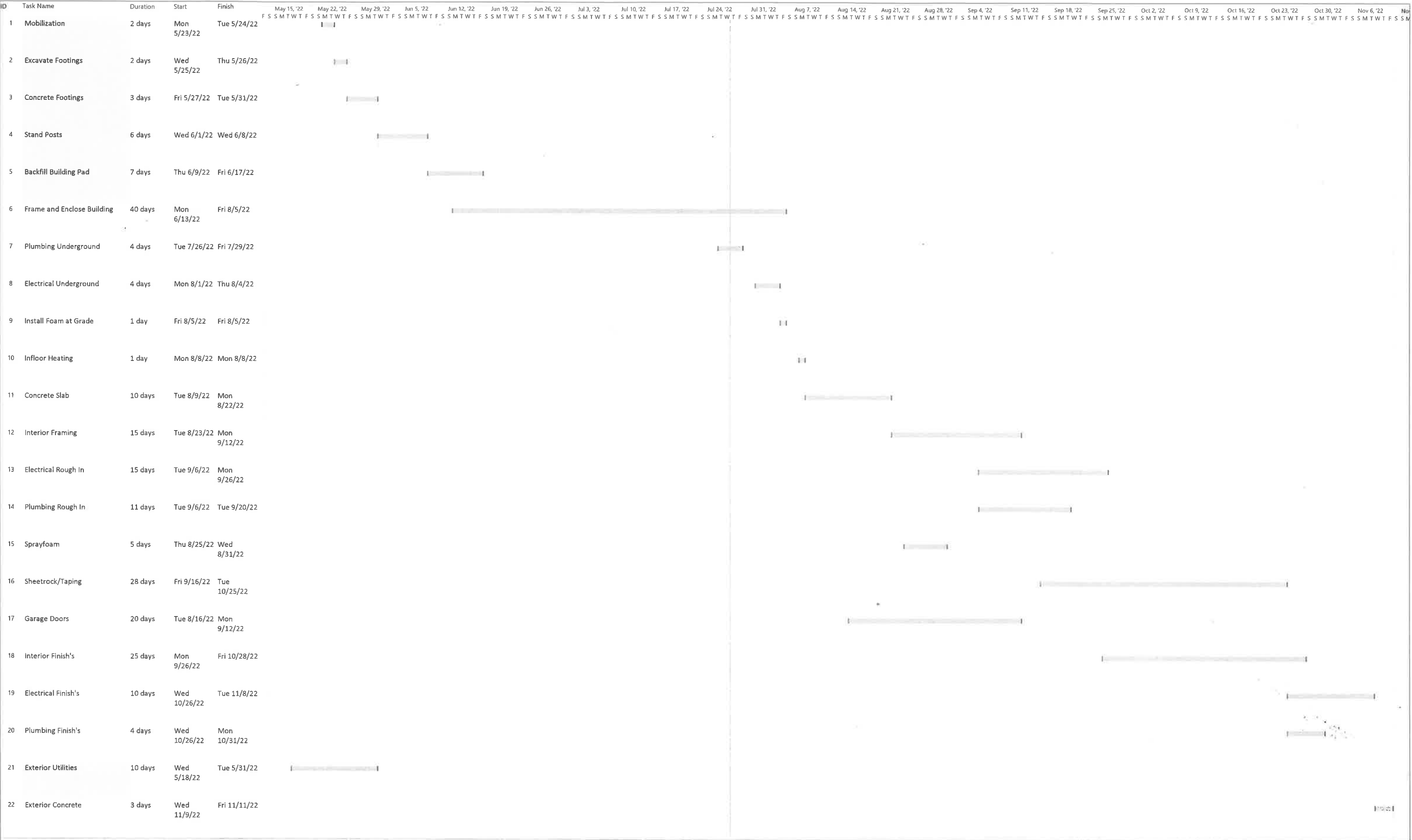
Sincerely,

WiDSETH



Todd Skyberg
Architectural Technician

Attachment: updated construction schedule



Project: Blackduck maintenance
Date: Thu 7/28/22

Task Split

Milestone Summary

Project Summary

Inactive Task

Inactive Milestone

Inactive Summary

Manual Task

Duration-only

Manual Summary Rollup

Manual Summary

Start-only

Finish-only

External Tasks

External Milestone

Deadline

Progress

Manual Progress



CITY OF BLACKDUCK

RESOLUTION NO: 2022-17

RESOLUTION APPROVING STATE OF MINNESOTA JOINT POWERS AGREEMENTS WITH THE CITY OF BLACKDUCK, MINNESOTA ON BEHALF OF ITS CITY ATTORNEY AND POLICE DEPARTMENT

WHEREAS, the City of Blackduck, Minnesota on behalf of its Prosecuting Attorney and Police Department desires to enter into Joint Powers Agreements with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension to use systems and tools available over the State's criminal justice data communications network for which the City is eligible. The Joint Powers Agreements further provide the City with the ability to add, modify and delete connectivity, systems and tools over the five year life of the agreement and obligates the City to pay the costs for the network connection.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Blackduck, Minnesota as follows:

1. That the State of Minnesota Joint Powers Agreements by and between the State of Minnesota acting through its Department of Public Safety, Bureau of Criminal Apprehension and the City of Blackduck, Minnesota on behalf of its Prosecuting Attorney and Police Department, are hereby approved. Copies of the Joint Powers Agreement is attached to this Resolution and made a part of it.

2. That the Interim Chief of Police, Robert Fraik, or his or her successor, is designated the Authorized Representative for the Police Department. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the City's connection to the systems and tools offered by the State.

To assist the Authorized Representative with the administration of the agreement, Christina Regas is appointed as the Authorized Representative's designee.

3. That the County Attorney, David Hanson, or his or her successor, is designated the Authorized Representative for the Prosecuting Attorney. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the City's connection to the systems and tools offered by the State.

To assist the Authorized Representative with the administration of the agreement, Christina Regas is appointed as the Authorized Representative's designee.

4. That Maxwell Gullette, the Mayor for the City of Blackduck, and Christina Regas, the City Administrator, are authorized to sign the State of Minnesota Joint Powers Agreements.

Adopted by the City Council on August 8th, 2022

Maxwell Gullette, Mayor

Christina Regas – City Administrator

COURT DATA SERVICES SUBSCRIBER AMENDMENT TO CJDN SUBSCRIBER AGREEMENT

This Court Data Services Subscriber Amendment ("Subscriber Amendment") is entered into by the State of Minnesota, acting through its Department of Public Safety, Bureau of Criminal Apprehension, ("BCA") and the City of Blackduck on behalf of its Police Department ("Agency"), and by and for the benefit of the State of Minnesota acting through its State Court Administrator's Office ("Court") who shall be entitled to enforce any provisions hereof through any legal action against any party.

Recitals

This Subscriber Amendment modifies and supplements the Agreement between the BCA and Agency, SWIFT Contract number 187954, of even or prior date, for Agency use of BCA systems and tools (referred to herein as "the CJDN Subscriber Agreement"). Certain BCA systems and tools that include access to and/or submission of Court Records may only be utilized by the Agency if the Agency completes this Subscriber Amendment. The Agency desires to use one or more BCA systems and tools to access and/or submit Court Records to assist the Agency in the efficient performance of its duties as required or authorized by law or court rule. Court desires to permit such access and/or submission. This Subscriber Amendment is intended to add Court as a party to the CJDN Subscriber Agreement and to create obligations by the Agency to the Court that can be enforced by the Court. It is also understood that, pursuant to the Master Joint Powers Agreement for Delivery of Court Data Services to CJDN Subscribers ("Master Authorization Agreement") between the Court and the BCA, the BCA is authorized to sign this Subscriber Amendment on behalf of Court. Upon execution the Subscriber Amendment will be incorporated into the CJDN Subscriber Agreement by reference. The BCA, the Agency and the Court desire to amend the CJDN Subscriber Agreement as stated below.

The CJDN Subscriber Agreement is amended by the addition of the following provisions:

1. **TERM; TERMINATION; ONGOING OBLIGATIONS.** This Subscriber Amendment shall be effective on the date finally executed by all parties and shall remain in effect until expiration or termination of the CJDN Subscriber Agreement unless terminated earlier as provided in this Subscriber Amendment. Any party may terminate this Subscriber Amendment with or without cause by giving written notice to all other parties. The effective date of the termination shall be thirty days after the other party's receipt of the notice of termination, unless a later date is specified in the notice. The provisions of sections 5 through 9, 12.b., 12.c., and 15 through 24 shall survive any termination of this Subscriber Amendment as shall any other provisions which by their nature are intended or expected to survive such termination. Upon termination, the Subscriber shall perform the responsibilities set forth in paragraph 7(f) hereof.

2. **Definitions.** Unless otherwise specifically defined, each term used herein shall have the meaning assigned to such term in the CJDN Subscriber Agreement.

a. **“Authorized Court Data Services”** means Court Data Services that have been authorized for delivery to CJDN Subscribers via BCA systems and tools pursuant to an Authorization Amendment to the Joint Powers Agreement for Delivery of Court Data Services to CJDN Subscribers (“Master Authorization Agreement”) between the Court and the BCA.

b. **“Court Data Services”** means one or more of the services set forth on the Justice Agency Resource webpage of the Minnesota Judicial Branch website (for which the current address is www.courts.state.mn.us) or other location designated by the Court, as the same may be amended from time to time by the Court.

c. **“Court Records”** means all information in any form made available by the Court to Subscriber through the BCA for the purposes of carrying out this Subscriber Amendment, including:

- i. **“Court Case Information”** means any information in the Court Records that conveys information about a particular case or controversy, including without limitation Court Confidential Case Information, as defined herein.
- ii. **“Court Confidential Case Information”** means any information in the Court Records that is inaccessible to the public pursuant to the Rules of Public Access and that conveys information about a particular case or controversy.
- iii. **“Court Confidential Security and Activation Information”** means any information in the Court Records that is inaccessible to the public pursuant to the Rules of Public Access and that explains how to use or gain access to Court Data Services, including but not limited to login account names, passwords, TCP/IP addresses, Court Data Services user manuals, Court Data Services Programs, Court Data Services Databases, and other technical information.
- iv. **“Court Confidential Information”** means any information in the Court Records that is inaccessible to the public pursuant to the Rules of Public Access, including without limitation both i) Court Confidential Case Information; and ii) Court Confidential Security and Activation Information.

d. **“DCA”** shall mean the district courts of the state of Minnesota and their respective staff.

e. **“Policies & Notices”** means the policies and notices published by the Court in connection with each of its Court Data Services, on a website or other location designated by the Court, as the same may be amended from time to time by the Court. Policies & Notices for each Authorized Court Data Service identified in an approved request form under section 3, below, are hereby made part of this Subscriber Amendment by this reference and provide additional terms and conditions that govern Subscriber’s use of Court Records accessed through such services, including but not limited to provisions on access and use limitations.

f. **“Rules of Public Access”** means the Rules of Public Access to Records of the Judicial Branch promulgated by the Minnesota Supreme Court, as the same may be amended from time to time, including without limitation lists or tables published from time to time by the Court entitled *Limits on Public Access to Case Records* or *Limits on Public Access to Administrative Records*, all of which by this reference are made a part of this Subscriber Amendment. It is the obligation of Subscriber to check from time to time for updated rules, lists, and tables and be familiar with the contents thereof. It is contemplated that such rules, lists, and tables will be posted on the Minnesota Judicial Branch website, for which the current address is www.courts.state.mn.us.

g. **“Court”** shall mean the State of Minnesota, State Court Administrator's Office.

h. **“Subscriber”** shall mean the Agency.

i. **“Subscriber Records”** means any information in any form made available by the Subscriber to the Court for the purposes of carrying out this Subscriber Amendment.

3. REQUESTS FOR AUTHORIZED COURT DATA SERVICES. Following execution of this Subscriber Amendment by all parties, Subscriber may submit to the BCA one or more separate requests for Authorized Court Data Services. The BCA is authorized in the Master Authorization Agreement to process, credential and approve such requests on behalf of Court and all such requests approved by the BCA are adopted and incorporated herein by this reference the same as if set forth verbatim herein.

a. **Activation.** Activation of the requested Authorized Court Data Service(s) shall occur promptly following approval.

b. **Rejection.** Requests may be rejected for any reason, at the discretion of the BCA and/or the Court.

c. **Requests for Termination of One or More Authorized Court Data Services.** The Subscriber may request the termination of an Authorized Court Data Services previously requested by submitting a notice to Court with a copy to the BCA. Promptly upon receipt of a request for termination of an Authorized Court Data Service, the BCA will deactivate the service requested. The termination of one or more Authorized Court Data Services does not terminate this Subscriber Amendment. Provisions for termination of this Subscriber Amendment are set forth in section 1. Upon termination of Authorized Court Data Services, the Subscriber shall perform the responsibilities set forth in paragraph 7(f) hereof.

4. SCOPE OF ACCESS TO COURT RECORDS LIMITED. Subscriber's access to and/or submission of the Court Records shall be limited to Authorized Court Data Services identified in an approved request form under section 3, above, and other Court Records necessary for Subscriber to use Authorized Court Data Services. Authorized Court Data Services shall only be used according to the instructions provided in corresponding Policies & Notices or other materials and only as necessary to assist Subscriber in the efficient performance of Subscriber's duties

required or authorized by law or court rule in connection with any civil, criminal, administrative, or arbitral proceeding in any Federal, State, or local court or agency or before any self-regulatory body. Subscriber's access to the Court Records for personal or non-official use is prohibited. Subscriber will not use or attempt to use Authorized Court Data Services in any manner not set forth in this Subscriber Amendment, Policies & Notices, or other Authorized Court Data Services documentation, and upon any such unauthorized use or attempted use the Court may immediately terminate this Subscriber Amendment without prior notice to Subscriber.

5. GUARANTEES OF CONFIDENTIALITY. Subscriber agrees:

a. To not disclose Court Confidential Information to any third party except where necessary to carry out the Subscriber's duties as required or authorized by law or court rule in connection with any civil, criminal, administrative, or arbitral proceeding in any Federal, State, or local court or agency or before any self-regulatory body.

b. To take all appropriate action, whether by instruction, agreement, or otherwise, to insure the protection, confidentiality and security of Court Confidential Information and to satisfy Subscriber's obligations under this Subscriber Amendment.

c. To limit the use of and access to Court Confidential Information to Subscriber's bona fide personnel whose use or access is necessary to effect the purposes of this Subscriber Amendment, and to advise each individual who is permitted use of and/or access to any Court Confidential Information of the restrictions upon disclosure and use contained in this Subscriber Amendment, requiring each individual who is permitted use of and/or access to Court Confidential Information to acknowledge in writing that the individual has read and understands such restrictions. Subscriber shall keep such acknowledgements on file for one year following termination of the Subscriber Amendment and/or CJDN Subscriber Agreement, whichever is longer, and shall provide the Court with access to, and copies of, such acknowledgements upon request. For purposes of this Subscriber Amendment, Subscriber's bona fide personnel shall mean individuals who are employees of Subscriber or provide services to Subscriber either on a voluntary basis or as independent contractors with Subscriber.

d. That, without limiting section 1 of this Subscriber Amendment, the obligations of Subscriber and its bona fide personnel with respect to the confidentiality and security of Court Confidential Information shall survive the termination of this Subscriber Amendment and the CJDN Subscriber Agreement and the termination of their relationship with Subscriber.

e. That, notwithstanding any federal or state law applicable to the nondisclosure obligations of Subscriber and Subscriber's bona fide personnel under this Subscriber Amendment, such obligations of Subscriber and Subscriber's bona fide personnel are founded independently on the provisions of this Subscriber Amendment.

6. APPLICABILITY TO PREVIOUSLY DISCLOSED COURT RECORDS. Subscriber acknowledges and agrees that all Authorized Court Data Services and related Court Records disclosed to Subscriber prior to the effective date of this Subscriber Amendment shall be subject to the provisions of this Subscriber Amendment.

7. LICENSE AND PROTECTION OF PROPRIETARY RIGHTS. During the term of this Subscriber Amendment, subject to the terms and conditions hereof, the Court hereby grants to Subscriber a nonexclusive, nontransferable, limited license to use Court Data Services Programs and Court Data Services Databases to access or receive the Authorized Court Data Services identified in an approved request form under section 3, above, and related Court Records. Court reserves the right to make modifications to the Authorized Court Data Services, Court Data Services Programs, and Court Data Services Databases, and related materials without notice to Subscriber. These modifications shall be treated in all respects as their previous counterparts.

a. Court Data Services Programs. Court is the copyright owner and licensor of the Court Data Services Programs. The combination of ideas, procedures, processes, systems, logic, coherence and methods of operation embodied within the Court Data Services Programs, and all information contained in documentation pertaining to the Court Data Services Programs, including but not limited to manuals, user documentation, and passwords, are trade secret information of Court and its licensors.

b. Court Data Services Databases. Court is the copyright owner and licensor of the Court Data Services Databases and of all copyrightable aspects and components thereof. All specifications and information pertaining to the Court Data Services Databases and their structure, sequence and organization, including without limitation data schemas such as the Court XML Schema, are trade secret information of Court and its licensors.

c. Marks. Subscriber shall neither have nor claim any right, title, or interest in or use of any trademark used in connection with Authorized Court Data Services, including but not limited to the marks "MNCIS" and "Odyssey."

d. Restrictions on Duplication, Disclosure, and Use. Trade secret information of Court and its licensors will be treated by Subscriber in the same manner as Court Confidential Information. In addition, Subscriber will not copy any part of the Court Data Services Programs or Court Data Services Databases, or reverse engineer or otherwise attempt to discern the source code of the Court Data Services Programs or Court Data Services Databases, or use any trademark of Court or its licensors, in any way or for any purpose not specifically and expressly authorized by this Subscriber Amendment. As used herein, "trade secret information of Court and its licensors" means any information possessed by Court which derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use. "Trade secret information of Court and its licensors" does not, however, include information which was known to Subscriber prior to Subscriber's receipt thereof, either directly or indirectly, from Court or its licensors, information which is independently developed by Subscriber without reference to or use of information received from Court or its licensors, or information which would not qualify as a trade secret under Minnesota law. It will not be a violation of this section 7, sub-section d, for Subscriber to make up to one copy of training materials and configuration documentation, if any, for each individual authorized to access, use, or configure Authorized Court Data Services, solely for its own use in connection with this Subscriber Amendment. Subscriber will take all steps reasonably necessary to protect the copyright, trade secret, and trademark rights of Court and its licensors and Subscriber will advise its bona fide personnel who are permitted access to any of the Court Data Services Programs and Court Data Services Databases, and trade secret information of Court and its licensors, of the restrictions upon duplication, disclosure and use contained in this Subscriber Amendment.

e. Proprietary Notices. Subscriber will not remove any copyright or proprietary notices included in and/or on the Court Data Services Programs or Court Data Services Databases, related documentation, or trade secret information of Court and its licensors, or any part thereof, made available by Court directly or through the BCA, if any, and Subscriber will include in and/or on any copy of the Court Data Services Programs or Court Data Services Databases, or trade secret information of Court and its licensors and any documents pertaining thereto, the same copyright and other proprietary notices as appear on the copies made available to Subscriber by Court directly or through the BCA, except that copyright notices shall be updated and other proprietary notices added as may be appropriate.

f. Title; Return. The Court Data Services Programs and Court Data Services Databases, and related documentation, including but not limited to training and configuration material, if any, and logon account information and passwords, if any, made available by the Court to Subscriber directly or through the BCA and all copies, including partial copies, thereof are and remain the property of the respective licensor. Except as expressly provided in section 12.b., within ten days of the effective date of termination of this Subscriber Amendment or the CJDN Subscriber Agreement or within ten days of a request for termination of Authorized Court Data Service as described in section 4, Subscriber shall either: (i) uninstall and return any and all copies of the applicable Court Data Services Programs and Court Data Services Databases, and related documentation, including but not limited to training and configuration materials, if any, and logon account information, if any; or (2) destroy the same and certify in writing to the Court that the same have been destroyed.

8. INJUNCTIVE RELIEF. Subscriber acknowledges that the Court, Court's licensors, and DCA will be irreparably harmed if Subscriber's obligations under this Subscriber Amendment are not specifically enforced and that the Court, Court's licensors, and DCA would not have an adequate remedy at law in the event of an actual or threatened violation by Subscriber of its obligations. Therefore, Subscriber agrees that the Court, Court's licensors, and DCA shall be entitled to an injunction or any appropriate decree of specific performance for any actual or threatened violations or breaches by Subscriber or its bona fide personnel without the necessity of the Court, Court's licensors, or DCA showing actual damages or that monetary damages would not afford an adequate remedy. Unless Subscriber is an office, officer, agency, department, division, or bureau of the state of Minnesota, Subscriber shall be liable to the Court, Court's licensors, and DCA for reasonable attorneys fees incurred by the Court, Court's licensors, and DCA in obtaining any relief pursuant to this Subscriber Amendment.

9. LIABILITY. Subscriber and the Court agree that, except as otherwise expressly provided herein, each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. Liability shall be governed by applicable law. Without limiting the foregoing, liability of the Court and any Subscriber that is an office, officer, agency, department, division, or bureau of the state of Minnesota shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, section 3.376, and other applicable law. Without limiting the foregoing, if Subscriber is a political subdivision of the state of Minnesota, liability of the Subscriber shall be governed by the provisions of Minn. Stat. Ch. 466 (Tort Liability, Political Subdivisions) or other applicable law. Subscriber and Court further acknowledge that the liability, if any, of the BCA is governed by a separate agreement between the Court and the BCA dated December 13, 2010 with DPS-M -0958.

10. AVAILABILITY. Specific terms of availability shall be established by the Court and communicated to Subscriber by the Court and/or the BCA. The Court reserves the right to terminate this Subscriber Amendment immediately and/or temporarily suspend Subscriber's Authorized Court Data Services in the event the capacity of any host computer system or legislative appropriation of funds is determined solely by the Court to be insufficient to meet the computer needs of the courts served by the host computer system.

11. [reserved]

12. ADDITIONAL USER OBLIGATIONS. The obligations of the Subscriber set forth in this section are in addition to the other obligations of the Subscriber set forth elsewhere in this Subscriber Amendment.

a. Judicial Policy Statement. Subscriber agrees to comply with all policies identified in Policies & Notices applicable to Court Records accessed by Subscriber using Authorized Court Data Services. Upon failure of the Subscriber to comply with such policies, the Court shall have the option of immediately suspending the Subscriber's Authorized Court Data Services on a temporary basis and/or immediately terminating this Subscriber Amendment.

b. Access and Use; Log. Subscriber shall be responsible for all access to and use of Authorized Court Data Services and Court Records by Subscriber's bona fide personnel or by means of Subscriber's equipment or passwords, whether or not Subscriber has knowledge of or authorizes such access and use. Subscriber shall also maintain a log identifying all persons to whom Subscriber has disclosed its Court Confidential Security and Activation Information, such as user ID(s) and password(s), including the date of such disclosure. Subscriber shall maintain such logs for a minimum period of six years from the date of disclosure, and shall provide the Court with access to, and copies of, such logs upon request. The Court may conduct audits of Subscriber's logs and use of Authorized Court Data Services and Court Records from time to time. Upon Subscriber's failure to maintain such logs, to maintain accurate logs, or to promptly provide access by the Court to such logs, the Court may terminate this Subscriber Amendment without prior notice to Subscriber.

c. Personnel. Subscriber agrees to investigate, at the request of the Court and/or the BCA, allegations of misconduct pertaining to Subscriber's bona fide personnel having access to or use of Authorized Court Data Services, Court Confidential Information, or trade secret information of the Court and its licensors where such persons are alleged to have violated the provisions of this Subscriber Amendment, Policies & Notices, Judicial Branch policies, or other security requirements or laws regulating access to the Court Records.

d. Minnesota Data Practices Act Applicability. If Subscriber is a Minnesota Government entity that is subject to the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, Subscriber acknowledges and agrees that: (1) the Court is not subject to Minn. Stat. Ch. 13 (see section 13.90) but is subject to the Rules of Public Access and other rules promulgated by the Minnesota Supreme Court; (2) Minn. Stat. section 13.03, subdivision 4(e) requires that Subscriber comply with the Rules of Public Access and other rules promulgated by the Minnesota Supreme Court for access to Court Records provided via the

BCA systems and tools under this Subscriber Amendment; (3) the use of and access to Court Records may be restricted by rules promulgated by the Minnesota Supreme Court, applicable state statute or federal law; and (4) these applicable restrictions must be followed in the appropriate circumstances.

13. FEES; INVOICES. Unless the Subscriber is an office, officer, department, division, agency, or bureau of the state of Minnesota, Subscriber shall pay the fees, if any, set forth in applicable Policies & Notices, together with applicable sales, use or other taxes. Applicable monthly fees commence ten (10) days after notice of approval of the request pursuant to section 3 of this Subscriber Amendment or upon the initial Subscriber transaction as defined in the Policies & Notices, whichever occurs earlier. When fees apply, the Court shall invoice Subscriber on a monthly basis for charges incurred in the preceding month and applicable taxes, if any, and payment of all amounts shall be due upon receipt of invoice. If all amounts are not paid within 30 days of the date of the invoice, the Court may immediately cancel this Subscriber Amendment without notice to Subscriber and pursue all available legal remedies. Subscriber certifies that funds have been appropriated for the payment of charges under this Subscriber Amendment for the current fiscal year, if applicable.

14. MODIFICATION OF FEES. Court may modify the fees by amending the Policies & Notices as provided herein, and the modified fees shall be effective on the date specified in the Policies & Notices, which shall not be less than thirty days from the publication of the Policies & Notices. Subscriber shall have the option of accepting such changes or terminating this Subscriber Amendment as provided in section 1 hereof.

15. WARRANTY DISCLAIMERS.

a. WARRANTY EXCLUSIONS. EXCEPT AS SPECIFICALLY AND EXPRESSLY PROVIDED HEREIN, COURT, COURT'S LICENSORS, AND DCA MAKE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY, NOR ARE ANY WARRANTIES TO BE IMPLIED, WITH RESPECT TO THE INFORMATION, SERVICES OR COMPUTER PROGRAMS MADE AVAILABLE UNDER THIS AGREEMENT.

b. ACCURACY AND COMPLETENESS OF INFORMATION. WITHOUT LIMITING THE GENERALITY OF THE PRECEDING PARAGRAPH, COURT, COURT'S LICENSORS, AND DCA MAKE NO WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THE COURT RECORDS.

16. RELATIONSHIP OF THE PARTIES. Subscriber is an independent contractor and shall not be deemed for any purpose to be an employee, partner, agent or franchisee of the Court, Court's licensors, or DCA. Neither Subscriber nor the Court, Court's licensors, or DCA shall have the right nor the authority to assume, create or incur any liability or obligation of any kind, express or implied, against or in the name of or on behalf of the other.

17. NOTICE. Except as provided in section 2 regarding notices of or modifications to Authorized Court Data Services and Policies & Notices, any notice to Court or Subscriber

hereunder shall be deemed to have been received when personally delivered in writing or seventy-two (72) hours after it has been deposited in the United States mail, first class, proper postage prepaid, addressed to the party to whom it is intended at the address set forth on page one of this Agreement or at such other address of which notice has been given in accordance herewith.

18. NON-WAIVER. The failure by any party at any time to enforce any of the provisions of this Subscriber Amendment or any right or remedy available hereunder or at law or in equity, or to exercise any option herein provided, shall not constitute a waiver of such provision, remedy or option or in any way affect the validity of this Subscriber Amendment. The waiver of any default by either Party shall not be deemed a continuing waiver, but shall apply solely to the instance to which such waiver is directed.

19. FORCE MAJEURE. Neither Subscriber nor Court shall be responsible for failure or delay in the performance of their respective obligations hereunder caused by acts beyond their reasonable control.

20. SEVERABILITY. Every provision of this Subscriber Amendment shall be construed, to the extent possible, so as to be valid and enforceable. If any provision of this Subscriber Amendment so construed is held by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, such provision shall be deemed severed from this Subscriber Amendment, and all other provisions shall remain in full force and effect.

21. ASSIGNMENT AND BINDING EFFECT. Except as otherwise expressly permitted herein, neither Subscriber nor Court may assign, delegate and/or otherwise transfer this Subscriber Amendment or any of its rights or obligations hereunder without the prior written consent of the other. This Subscriber Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns, including any other legal entity into, by or with which Subscriber may be merged, acquired or consolidated.

22. GOVERNING LAW. This Subscriber Amendment shall in all respects be governed by and interpreted, construed and enforced in accordance with the laws of the United States and of the State of Minnesota.

23. VENUE AND JURISDICTION. Any action arising out of or relating to this Subscriber Amendment, its performance, enforcement or breach will be venued in a state or federal court situated within the State of Minnesota. Subscriber hereby irrevocably consents and submits itself to the personal jurisdiction of said courts for that purpose.

24. INTEGRATION. This Subscriber Amendment contains all negotiations and agreements between the parties. No other understanding regarding this Subscriber Amendment, whether written or oral, may be used to bind either party, provided that all terms and conditions of the CJDN Subscriber Agreement and all previous amendments remain in full force and effect except as supplemented or modified by this Subscriber Amendment.

IN WITNESS WHEREOF, the Parties have, by their duly authorized officers, executed this Subscriber Amendment in duplicate, intending to be bound thereby.

1. SUBSCRIBER (AGENCY)

Subscriber must attach written verification of authority to sign on behalf of and bind the entity, such as an opinion of counsel or resolution.

Name: Robert Fraik
(PRINTED)

Signed: [Signature]

Title: Chief (Interim)
(with delegated authority)

Date: 8/3/2022

Name: CHRISTINA REAS
(PRINTED)

Signed: [Signature]

Title: City Administrator
(with delegated authority)

Date: 8-3-2022

2. DEPARTMENT OF PUBLIC SAFETY, BUREAU OF CRIMINAL APPREHENSION

Name: _____
(PRINTED)

Signed: _____

Title: _____
(with delegated authority)

Date: _____

3. COMMISSIONER OF ADMINISTRATION delegated to Materials Management Division

By: _____

Date: _____

4. COURTS

Authority granted to Bureau of Criminal Apprehension

Name: _____
(PRINTED)

Signed: _____

Title: _____
(with authorized authority)

Date: _____



State of Minnesota Joint Powers Agreement

This Agreement is between the State of Minnesota, acting through its Department of Public Safety on behalf of the Bureau of Criminal Apprehension ("BCA"), and the City of Blackduck of behalf of its Police Department ("Governmental Unit"). The BCA and the Governmental Unit may be referred to jointly as "Parties."

Recitals

Under Minn. Stat. § 471.59, the BCA and the Governmental Unit are empowered to engage in agreements that are necessary to exercise their powers. Under Minn. Stat. § 299C.46, the BCA must provide a criminal justice data communications network to benefit political subdivisions as defined under Minn. Stat. § 299C.46, subd. 2 and subd. 2(a). The Governmental Unit is authorized by law to utilize the criminal justice data communications network pursuant to the terms set out in this Agreement. In addition, BCA either maintains repositories of data or has access to repositories of data that benefit authorized political subdivisions in performing their duties. The Governmental Unit wants to access data in support of its official duties.

The purpose of this Agreement is to create a method by which the Governmental Unit has access to those systems and tools for which it has eligibility, and to memorialize the requirements to obtain access and the limitations on the access.

Agreement

1 Term of Agreement

- 1.1 **Effective Date.** This Agreement is effective on the date the BCA obtains all required signatures under Minn. Stat. § 16C.05, subdivision 2.
- 1.2 **Expiration Date.** This Agreement expires five years from the date it is effective.

2 Agreement Between the Parties

- 2.1 **General Access.** BCA agrees to provide Governmental Unit with access to the Minnesota Criminal Justice Data Communications Network (CJDN) and those systems and tools which the Governmental Unit is authorized by law to access via the CJDN for the purposes outlined in Minn. Stat. § 299C.46.
- 2.2 **Methods of Access.**

The BCA offers three (3) methods of access to its systems and tools. The methods of access are:

 - A. **Direct access** occurs when individual users at the Governmental Unit use the Governmental Unit's equipment to access the BCA's systems and tools. This is generally accomplished by an individual user entering a query into one of BCA's systems or tools.
 - B. **Indirect Access** occurs when individual users at the Governmental Unit go to another Governmental Unit to obtain data and information from BCA's systems and tools. This method of access generally results in the Governmental Unit with indirect access obtaining the needed data and information in a physical format like a paper report.
 - C. **Computer-to-Computer System Interface** occurs when the Governmental Unit's computer exchanges data and information with BCA's computer systems and tools using an interface. Without limitation, interface types include: state message switch, web services, enterprise service bus and message queuing.

For purposes of this Agreement, Governmental Unit employees or contractors may use any of these methods to use BCA's systems and tools as described in this Agreement. Governmental Unit will select a

method of access and can change the methodology following the process in Clause 2.10.

- 2.3 Federal Systems Access.** In addition, pursuant to 28 CFR §20.30-38 and Minn. Stat. §299C.58, BCA may provide Governmental Unit with access to the Federal Bureau of Investigation (FBI) National Crime Information Center.
- 2.4 Governmental Unit Policies.** Both the BCA and the FBI's Criminal Justice Information Systems (FBI-CJIS) have policies, regulations and laws on access, use, audit, dissemination, hit confirmation, logging, quality assurance, screening (pre-employment), security, timeliness, training, use of the system, and validation. Governmental Unit has created its own policies to ensure that Governmental Unit's employees and contractors comply with all applicable requirements. Governmental Unit ensures this compliance through appropriate enforcement. These BCA and FBI-CJIS policies and regulations, as amended and updated from time to time, are incorporated into this Agreement by reference. The policies are available at <https://bcanextest.x.state.mn.us/launchpad/>.
- 2.5 Governmental Unit Resources.** To assist Governmental Unit in complying with the federal and state requirements on access to and use of the various systems and tools, information is available at <https://sps.x.state.mn.us/sites/bcaservicecatalog/default.aspx>. Additional information on appropriate use is found in the Minnesota Bureau of Criminal Apprehension Policy on Appropriate Use of Systems and Data available at <https://bcanextest.x.state.mn.us/launchpad/cjisdocs/docs.cgi?cmd=FS&ID=795&TYPE=DOCS>.
- 2.6 Access Granted.**
- A. Governmental Unit is granted permission to use all current and future BCA systems and tools for which Governmental Unit is eligible. Eligibility is dependent on Governmental Unit (i) satisfying all applicable federal or state statutory requirements; (ii) complying with the terms of this Agreement; and (iii) acceptance by BCA of Governmental Unit's written request for use of a specific system or tool.
 - B. To facilitate changes in systems and tools, Governmental Unit grants its Authorized Representative authority to make written requests for those systems and tools provided by BCA that the Governmental Unit needs to meet its criminal justice obligations and for which Governmental Unit is eligible.
- 2.7 Future Access.** On written request from the Governmental Unit, BCA also may provide Governmental Unit with access to those systems or tools which may become available after the signing of this Agreement, to the extent that the access is authorized by applicable state and federal law. Governmental Unit agrees to be bound by the terms and conditions contained in this Agreement that when utilizing new systems or tools provided under this Agreement.
- 2.8 Limitations on Access.** BCA agrees that it will comply with applicable state and federal laws when making information accessible. Governmental Unit agrees that it will comply with applicable state and federal laws when accessing, entering, using, disseminating, and storing data. Each party is responsible for its own compliance with the most current applicable state and federal laws.
- 2.9 Supersedes Prior Agreements.** This Agreement supersedes any and all prior agreements between the BCA and the Governmental Unit regarding access to and use of systems and tools provided by BCA.
- 2.10 Requirement to Update Information.** The parties agree that if there is a change to any of the information whether required by law or this Agreement, the party will send the new information to the other party in writing within 30 days of the change. This clause does not apply to changes in systems or tools provided under this Agreement.

This requirement to give notice additionally applies to changes in the individual or organization serving the Governmental Unit as its prosecutor. Any change in performance of the prosecutorial function must be provided to the BCA in writing by giving notice to the Service Desk, BCA.ServiceDesk@state.mn.us.

- 2.11 Transaction Record.** The BCA creates and maintains a transaction record for each exchange of data utilizing its systems and tools. In order to meet FBI-CJIS requirements and to perform the audits described in Clause 7, there must be a method of identifying which individual users at the Governmental Unit conducted a

particular transaction.

If Governmental Unit uses either direct access as described in Clause 2.2A or indirect access as described in Clause 2.2B, BCA's transaction record meets FBI-CJIS requirements.

When Governmental Unit's method of access is a computer-to-computer interface as described in Clause 2.2C, the Governmental Unit must keep a transaction record sufficient to satisfy FBI-CJIS requirements and permit the audits described in Clause 7 to occur.

If a Governmental Unit accesses data from the Driver and Vehicle Services Division in the Minnesota Department of Public Safety and keeps a copy of the data, Governmental Unit must have a transaction record of all subsequent access to the data that are kept by the Governmental Unit. The transaction record must include the individual user who requested access, and the date, time and content of the request. The transaction record must also include the date, time and content of the response along with the destination to which the data were sent. The transaction record must be maintained for a minimum of six (6) years from the date the transaction occurred and must be made available to the BCA within one (1) business day of the BCA's request.

2.12 Court Information Access. Certain BCA systems and tools that include access to and/or submission of Court Records may only be utilized by the Governmental Unit if the Governmental Unit completes the Court Data Services Subscriber Amendment, which upon execution will be incorporated into this Agreement by reference. These BCA systems and tools are identified in the written request made by the Governmental Unit under Clause 2.6 above. The Court Data Services Subscriber Amendment provides important additional terms, including but not limited to privacy (see Clause 8.2, below), fees (see Clause 3 below), and transaction records or logs, that govern Governmental Unit's access to and/or submission of the Court Records delivered through the BCA systems and tools.

2.13 Vendor Personnel Screening. The BCA will conduct all vendor personnel screening on behalf of Governmental Unit as is required by the FBI CJIS Security Policy. The BCA will maintain records of the federal, fingerprint-based background check on each vendor employee as well as records of the completion of the security awareness training that may be relied on by the Governmental Unit.

3 Payment

The Governmental Unit currently accesses the criminal justice data communications network described in Minn. Stat. §299C.46. The bills are sent quarterly for the amount of One Hundred Fifty Dollars (\$150.00) or a total annual cost of Six Hundred Dollars (\$600.00).

The Governmental Unit will identify its contact person for billing purposes, and will provide updated information to BCA's Authorized Representative within ten business days when this information changes.

If Governmental Unit chooses to execute the Court Data Services Subscriber Amendment referred to in Clause 2.12 in order to access and/or submit Court Records via BCA's systems, additional fees, if any, are addressed in that amendment.

4 Authorized Representatives

The BCA's Authorized Representative is the person below, or her successor:

Name:	Dana Gotz, Deputy Superintendent
Address:	Minnesota Department of Public Safety; Bureau of Criminal Apprehension 1430 Maryland Avenue Saint Paul, MN 55106

Telephone: 651.793.2007
Email Address: Dana.Gotz@state.mn.us

The Governmental Unit's Authorized Representative is the person below, or his/her successor:

Name: Robert Fraik, Chief
Address: 180 1st St SE
PO Box 380
Blackduck, MN 56630
Telephone: 218.835.4842
Email Address: robert.fraik@blackduckmn.com

5 Assignment, Amendments, Waiver, and Agreement Complete

- 5.1 Assignment.** Neither party may assign nor transfer any rights or obligations under this Agreement.
- 5.2 Amendments.** Any amendment to this Agreement, except those described in Clauses 2.6 and 2.7 above must be in writing and will not be effective until it has been signed and approved by the same parties who signed and approved the original agreement, their successors in office, or another individual duly authorized.
- 5.3 Waiver.** If either party fails to enforce any provision of this Agreement, that failure does not waive the provision or the right to enforce it.
- 5.4 Agreement Complete.** This Agreement contains all negotiations and agreements between the BCA and the Governmental Unit. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

6 Liability

Each party will be responsible for its own acts and behavior and the results thereof and shall not be responsible or liable for the other party's actions and consequences of those actions. The Minnesota Torts Claims Act, Minn. Stat. § 3.736 and other applicable laws govern the BCA's liability. The Minnesota Municipal Tort Claims Act, Minn. Stat. Ch. 466 and other applicable laws, governs the Governmental Unit's liability.

7 Audits

- 7.1** Under Minn. Stat. § 16C.05, subd. 5, the Governmental Unit's books, records, documents, internal policies and accounting procedures and practices relevant to this Agreement are subject to examination by the BCA, the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement.

Under Minn. Stat. § 6.551, the State Auditor may examine the books, records, documents, and accounting procedures and practices of BCA. The examination shall be limited to the books, records, documents, and accounting procedures and practices that are relevant to this Agreement.

- 7.2** Under applicable state and federal law, the Governmental Unit's records are subject to examination by the BCA to ensure compliance with laws, regulations and policies about access, use, and dissemination of data.
- 7.3** If the Governmental Unit accesses federal databases, the Governmental Unit's records are subject to examination by the FBI and BCA; the Governmental Unit will cooperate with FBI and BCA auditors and make any requested data available for review and audit.
- 7.4** If the Governmental Unit accesses state databases, the Governmental Unit's records are subject to examination by the BCA; the Governmental Unit will cooperate with the BCA auditors and make any requested data available for review and audit.

- 7.5 To facilitate the audits required by state and federal law, Governmental Unit is required to have an inventory of the equipment used to access the data covered by this Agreement and the physical location of each.

8 Government Data Practices

- 8.1 **BCA and Governmental Unit.** The Governmental Unit and BCA must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data accessible under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Governmental Unit under this Agreement. The remedies of Minn. Stat. §§ 13.08 and 13.09 apply to the release of the data referred to in this clause by either the Governmental Unit or the BCA.
- 8.2 **Court Records.** If Governmental Unit chooses to execute the Court Data Services Subscriber Amendment referred to in Clause 2.12 in order to access and/or submit Court Records via BCA's systems, the following provisions regarding data practices also apply. The Court is not subject to Minn. Stat. Ch. 13 but is subject to the *Rules of Public Access to Records of the Judicial Branch* promulgated by the Minnesota Supreme Court. All parties acknowledge and agree that Minn. Stat. § 13.03, subdivision 4(e) requires that the BCA and the Governmental Unit comply with the *Rules of Public Access* for those data received from Court under the Court Data Services Subscriber Amendment. All parties also acknowledge and agree that the use of, access to or submission of Court Records, as that term is defined in the Court Data Services Subscriber Amendment, may be restricted by rules promulgated by the Minnesota Supreme Court, applicable state statute or federal law. All parties acknowledge and agree that these applicable restrictions must be followed in the appropriate circumstances.

9 Investigation of Alleged Violations; Sanctions

For purposes of this clause, "Individual User" means an employee or contractor of Governmental Unit.

- 9.1 **Investigation.** The Governmental Unit and BCA agree to cooperate in the investigation and possible prosecution of suspected violations of federal and state law referenced in this Agreement. Governmental Unit and BCA agree to cooperate in the investigation of suspected violations of the policies and procedures referenced in this Agreement. When BCA becomes aware that a violation may have occurred, BCA will inform Governmental Unit of the suspected violation, subject to any restrictions in applicable law. When Governmental Unit becomes aware that a violation has occurred, Governmental Unit will inform BCA subject to any restrictions in applicable law.

9.2 Sanctions Involving Only BCA Systems and Tools.

The following provisions apply to BCA systems and tools not covered by the Court Data Services Subscriber Amendment. None of these provisions alter the Governmental Unit internal discipline processes, including those governed by a collective bargaining agreement.

- 9.2.1 For BCA systems and tools that are not covered by the Court Data Services Subscriber Amendment, Governmental Unit must determine if and when an involved Individual User's access to systems or tools is to be temporarily or permanently eliminated. The decision to suspend or terminate access may be made as soon as alleged violation is discovered, after notice of an alleged violation is received, or after an investigation has occurred. Governmental Unit must report the status of the Individual User's access to BCA without delay. BCA reserves the right to make a different determination concerning an Individual User's access to systems or tools than that made by Governmental Unit and BCA's determination controls.
- 9.2.2 If BCA determines that Governmental Unit has jeopardized the integrity of the systems or tools covered in this Clause 9.2, BCA may temporarily stop providing some or all the systems or tools under this Agreement until the failure is remedied to the BCA's satisfaction. If Governmental Unit's failure is continuing or repeated, Clause 11.1 does not apply and BCA may terminate this Agreement immediately.

9.3 Sanctions Involving Only Court Data Services

The following provisions apply to those systems and tools covered by the Court Data Services Subscriber Amendment, if it has been signed by Governmental Unit. As part of the agreement between the Court and the BCA for the delivery of the systems and tools that are covered by the Court Data Services Subscriber Amendment, BCA is required to suspend or terminate access to or use of the systems and tools either on its own initiative or when directed by the Court. The decision to suspend or terminate access may be made as soon as an alleged violation is discovered, after notice of an alleged violation is received, or after an investigation has occurred. The decision to suspend or terminate may also be made based on a request from the Authorized Representative of Governmental Unit. The agreement further provides that only the Court has the authority to reinstate access and use.

9.3.1 Governmental Unit understands that if it has signed the Court Data Services Subscriber Amendment and if Governmental Unit's Individual Users violate the provisions of that Amendment, access and use will be suspended by BCA or Court. Governmental Unit also understands that reinstatement is only at the direction of the Court.

9.3.2 Governmental Unit further agrees that if Governmental Unit believes that one or more of its Individual Users have violated the terms of the Amendment, it will notify BCA and Court so that an investigation as described in Clause 9.1 may occur.

10 Venue

Venue for all legal proceedings involving this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

11 Termination

11.1 Termination. The BCA or the Governmental Unit may terminate this Agreement at any time, with or without cause, upon 30 days' written notice to the other party's Authorized Representative.

11.2 Termination for Insufficient Funding. Either party may immediately terminate this Agreement if it does not obtain funding from the Minnesota Legislature, or other funding source; or if funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written notice to the other party's authorized representative. The Governmental Unit is not obligated to pay for any services that are provided after notice and effective date of termination. However, the BCA will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. Neither party will be assessed any penalty if the agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. Notice of the lack of funding must be provided within a reasonable time of the affected party receiving that notice.

12 Continuing Obligations

The following clauses survive the expiration or cancellation of this Agreement: Liability; Audits; Government Data Practices; 9. Investigation of Alleged Violations; Sanctions; and Venue.

THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK

The Parties indicate their agreement and authority to execute this Agreement by signing below.

1. GOVERNMENTAL UNIT

Name: Robert Fraik
(PRINTED)

Signed: 

Title: Chief (Interim)
(with delegated authority)

Date: 8/3/2022

Name: CHRISTINA REGAS
(PRINTED)

Signed: 

Title: City Administrator
(with delegated authority)

Date: 8-3-2022

2. DEPARTMENT OF PUBLIC SAFETY, BUREAU OF CRIMINAL APPREHENSION

Name: _____
(PRINTED)

Signed: _____

Title: _____
(with delegated authority)

Date: _____

3. COMMISSIONER OF ADMINISTRATION

As delegated to the Office of State Procurement

By: _____

Date: _____

From: [Grant Frenzel](#)
To: [Christina Regas](#)
Subject: RE: Intent to purchase property
Date: Wednesday, August 3, 2022 10:53:04 AM
Attachments: [image002.png](#)

[EXTERNAL]

Hello Christina,

I visited with our Board of Directors regarding your proposal to purchase our bank building in Blackduck. Overall our group was supportive. We are comfortable with not formally "listing" the building for 270 days to allow time for the City to sell the existing library building. We do however want to retain the right entertain any offer that comes in during that time. If such an offer were to come in, we would still honor the \$120,000.00 price offered by the City, but would want to close the transaction within 30 days. We would like to see language added that all costs associated with the sale of our building be paid by the City so that we "Net" \$120,000.00 from the sale.

We would also like to have some sort of "agreement" that the existing library building not be sold to another bank or credit union.

If the City is comfortable with these suggested terms, please let me know and we can proceed to drafting a purchase agreement. I can facilitate this and Deerwood Bank would pay for the PA preparation.

Thanks Christina.
Talk to you soon.

Grant

Grant Frenzel

Vice President NMLS # 474592



1350 Paul Bunyan Drive NW | P.O. Box 1278 | Bemidji, MN 56619
Office 218-441-2908 | Mobile 218-766-9465 Fax 218-759-6926 | www.deerwoodbank.com

Awarded Newsweek's 2022 Best Small Bank in Minnesota



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From: Christina Regas <Christina.Regas@blackduckmn.com>

Sent: Tuesday, July 26, 2022 8:25 AM

To: Grant Frenzel <grant.frenzel@deerwoodbank.com>

Cc: Miriam Osborn - Northwoods Lumber <miriam@northwoodslumber.com>; Maxwell Gullette <Maxwell.Gullette@blackduckmn.com>

Subject: Intent to purchase property

CAUTION: This email originated from outside of Deerwood Bank. Be mindful when clicking links or opening attachments.

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Good morning Grant,

The City Council authorized the attached letter regarding the intent to purchase the bank building. Please look it over for consideration of your board of directors and let me know if the terms are acceptable.

I will be sending the hard copy in the mail today for signatures if accepted.

Thank you for your assistance in the potential partnership with the City of Blackduck.

Sincerely,

Christina Regas

City Administrator



City of Blackduck Minnesota

Christina.regas@blackduckmn.com

218-835-4803

This message was secured by [Zix](#)[®].

From: [Joseph J. Langel](#)
To: [Christina Regas](#)
Subject: Revised letter of intent
Date: Monday, August 8, 2022 10:54:41 AM
Attachments: [image001.png](#)
[image003.png](#)
[472309.doc](#)

[EXTERNAL]

Christina,

Attached is a revised letter of intent. The revisions are to the Closing and Contingencies sections, and there is a new Transfer Restriction Section.

With respect to the Closings section, it now states that “Customary closing costs shall be paid by the City” instead of the parties splitting them (which is more typical). This will result in additional costs to the City. The following is a *rough* estimate of those *additional* costs:

- Closing fees - \$300 (Closing costs of \$600 to \$800 are normally split).
- Title commitment fees - \$400 (normally paid by the Seller).
- State deed tax - \$400 (normally paid by the Seller).
- Property taxes – these are normally prorated to the closing date so the City would only pay part of what is left owing in 2022. The second half 2022 taxes for the two parcels are \$6,180, all of which would be paid by the City.

There are additional costs that the City would normally pay as the buyer, including recording fees and title insurance. Each party may also have legal fees.

With respect to Contingencies, it now states that the City must close within 30 days if the Bank receives another offer higher than the City’s offer. This means the City may have to buy this property before it sells its own library.

As for the transfer restriction, the City is agreeing never to sell the land to another bank or credit union. The Bank obviously does not want its property used by its competition. This may be problematic in the future if the City decides to sell the property, as it the building was obviously built to be a bank.

If the Council wishes to modify the terms proposed by the Bank, or if it has any questions, I can be reached by cell phone this evening until about 7:30 p.m. when I will be at another Council meeting.

Joe

Joseph J. Langel

Ratwik, Roszak & Maloney, P.A.
444 Cedar St., Suite 2100
St. Paul, MN 55101-1865

Ph: 612-339-0060 | Fax: 612-339-0038

Web: www.ratwiklaw.com

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[CITY LETTERHEAD]

August 8, 2022

Grant Frenzel
Vice President
Deerwood Bank
1350 Paul Bunyan Drive N.W.
Bemidji, MN 56619

Re: Purchase / Sale of Bank Property in Blackduck

Dear Mr. Frenzel:

This letter serves as a proposal for the purchase of the Deerwood Bank property located at 17 Summit Avenue in Blackduck. The following are the terms and conditions that the City of Blackduck is willing to incorporate in a Purchase Agreement for the property.

SELLER:	Deerwood Bank
BUYER:	City of Blackduck
LEGAL DESCRIPTION:	Lots 25, 26, 27, 28 and 29, Block 8, Blackduck, Beltrami County, Minnesota, less the east 60 feet thereof, together with the north half of the vacated alley abutting Lot 25. [Description to be confirmed.]
PURCHASE PRICE:	\$120,000.00
CLOSING:	Closing shall occur within 30 days after contingencies are satisfied. Customary closing costs shall be paid by the City.
DUE DILIGENCE:	Buyer intends to acquire property to house a library. Buyer to proceed with due diligence to sell existing library building and inspect subject property. Inspection and title review to occur within 60 days of executing purchase agreement.
CONTINGENCIES:	(1) Sale of existing library property (transfer of title). (2) Satisfactory inspection of Bank property.

(3) Kitchigami Regional Library System to release \$65,683 in funding for purchase of subject property.

If all contingencies are not satisfied within 270 days from the effective of the Purchase Agreement, the Agreement shall automatically terminate.

Notwithstanding the first contingency, if a bona fide written offer in an amount greater than \$120, 0000 is received by the bank for purchase of the property, and the City wishes to proceed with the purchase, the closing shall occur within 30 days of the City receiving a copy of the offer.

TAXES:

All taxes shall be prorated as of the date of closing. Seller shall pay any special assessments levied as of closing date. Seller shall pay state deed tax.

TITLE INSURANCE:

Seller shall obtain and pay for a Title Commitment from a title company approved by the City in the amount of the Purchase Price, with all standard policy exceptions deleted, within 21 days of the effective date of the Purchase Agreement. The title policy shall be paid by the Buyer.

BROKERAGE:

There are no brokers involved in this transaction.

TRANSFER RESTRICTION:

The City agrees not to sell the subject property to another bank or credit union.

This Letter of Intent is non-binding and is, by definition, only an expression of intent by the parties to enter into a purchase agreement for the sale of the subject property between the Seller and Buyer. If this Letter of Intent is accepted, Seller and Buyer agree to enter into a purchase agreement subject to the terms set forth above.

Sincerely,
Christina Regas
City Administrator

AGREED TO AND ACCEPTED BY DEERWOOD BANK THROUGH THE
FOLLOWING AUTHORIZED SIGNER:

By: _____

Its: _____

Dated: _____, 2022