



AGENDA

Blackduck City Council Meeting

6:00 PM - Monday, July 6, 2026
City Hall, 8 Summit Drive, Blackduck MN

	Page
1. CALL TO ORDER	
a. Roll Call	
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. June 8, 2026 Blackduck City Council Meeting Minutes Council - Jun 08 2026 - Minutes - Pdf	4 - 9
b. JUne 18, 2026 - Kitchigami Regional Library Board Meeting packet including May 21, 2026 minutes PACKET - 2026-06-18 KRLS Board Meeting	10 - 55
c. June 2026 Fund Balance Report JUne 2026 Fund Balance Report	56
d. June 2026 Bill Report June 2026 Bill Report - 1	57 - 58
e. June 2026 Liquor Fund Vendor ACH payments - CashWise Cash Wise June 2026	59 - 60
f. June 2026 Sewer Income Statement June 2026 Sewer Income Statement	61
g. June 2026 Water Income Statement June 2026 Water Income Statement	62
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i. June 2026 Lakeview Cemetery Income Statement June 2026 Cemetery Income Statement	64
j. June 2026 Golf Course Income Statement JUne 2026 Golf Course Income Statement	65
k. June 2026 Liquor Store Income Statement June 2026 Liquor Store income statements	66
l. June 2026 Blackduck DMV Income Statement June 2026 DMV Office Income Statement	67
m. Q2 2026 Blackduck General Fund Income Statement	68

Q2 2026 General Fund Income Statement

- n. May 2026 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association 69
[LG216 Blackduck Fire Relief Gambling Rent 062026](#)
- o. Final Approval - June 2026 Business Credit Card Payment 70 - 71
[Credit Card payment June](#)
- p. Final Approval - June 2026 EFT Disbursements for City of Blackduck payrolls supporting MN Statute §471.38 subd. 3 (3a) 72 - 74
[June EFT](#)
- q. Final Approval - May 2026 Supplemental Bills 75 - 77
[Supplemental batch May bills](#)
[Leevers Supplemental batch](#)
- r. Final Approval - Local Option Sales Tax Report - April 2026 78
[June 2026](#)
- s. Final Approval - Delay of Issuance City of Blackduck 2025 Financial Audit letter to OSA - CLA Troy Gabler 79 - 80
[Delay of Issuance Letter 2025 Audit](#)

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. Golf Course Report - Misty Frenzel, Golf Course Director
- 5.4. Library Report - Kelly Hanks, Head Librarian
 - a. July 16, 2026 - KRLS Board Meeting

6. ADMINISTRATOR'S REPORT

- a. Donation Request - Blackduck GFWC Tri Sigma - Blackduck Area Walk to End Alzheimers -Connie Moen 81 - 82
[Tri Sigma Donation request](#)
- b. Council Information - City of Blackduck 2025 Financial Audit Deadline Extension Request to State Auditor 83 - 88
[2025 Extension Request to OSA](#)
[Re Delay of Issuance - City of Blackduck](#)
- c. Council Information - City of Blackduck Notice of Filing - 2026 General Election for City of Blackduck Council seats 89
[Notice of Filing 2026](#)
- d. July 7, 2026 - August 10, 2026 - Minnesota Primary Absentee Balloting Open
- e. July 14, 2026 - July 28, 2026 - City of Blackduck Candidate Filing for General Election

- f. July 15, 2026 @ 2pm - Blackduck Planning Commission Meeting
 - g. July 16, 2026 - Blackduck City Hall Closed Early @ Noon - Election Judge Training
 - h. July 27, 2026 @ 6pm - City Council Work Session
 - i. August 10, 2026 @ 6pm - Blackduck City Council Meeting
 - j. August 11, 2026 - Minnesota State Primary Election - Polls Open 7am - 8pm
- 7. MAYOR AND/OR COUNCIL MEMBER REPORTS
 - 8. COMMUNITY EVENTS/GOOD THINGS HAPPENING
 - 9. ADJOURNMENT



MINUTES

Council Meeting

6:00 PM - Monday, June 8, 2026

City Hall, 8 Summit Drive, Blackduck MN

The Council of the City of Blackduck was called to order on Monday, June 8, 2026, 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: Paige Sheldrup, Woodcarvers Festival; John Winnett, Joseph Pelawa and Tim Ramerth, Widseth, Kim Hyatt Start Tribune, Andrew Kent Boys & Girls Club

1. CALL TO ORDER

- a. Roll Call
City Administrator Regas took roll call 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.

Ronald Fredrickson moved to approve the agenda as presented Nicholas Seitz 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. October 7, 2025 Blackduck Community Library Board Meeting Minutes & Friends of the Library Meeting Minutes
- b. May 4, 2026 Blackduck City Council Meeting Minutes
- c. May 18, 2026 Blackduck City Council Work Session Minutes

- d. May 19, 2026 Friends of the Library Meeting Minutes
- e. June 18, 2026 KRLS Board Packet including minutes from Marhc 19, 2026
- f. May 2026 Fund Balance Report
- g. May 2026 Bill Report
- h. May 2026 Liquor Fund Vendor ACH Payments - CashWise
- i. May 2026 Sewer Income Statement
- j. May 2026 Water Income Statement
- k. May 2026 Pine Tree Park Income Statement
- l. May 2026 Lakeview Cemetery Income Statement
- m. May 2026 Golf Course Income Statement
- n. May 2026 Liquor Store Income Statement
- o. May 2026 Blackduck DMV Income Statement
- p. April 2026 LG216 Lawful Gambling Monthly Rent Report - Blackduck Fire Relief Association
- q. ~~Final Approval – May 2026 Business Credit Card Payment~~
- r. Final Approval - May 2026 EFT Disbursements for City of Blackduck payrolls supporting MN Statute §471.38 subd. 3 (3a)
- s. Final Approval - April 2026 Supplemental Bills
- t. Final Approval - Local Option Sales Tax Report - March 2026
- u. Final Approval - New and Re-hired Seasonal Employees Report - June 2026
- v. Final Approval - American Engineering Testing Proposal - revised to include services to The Pond
- w. Final Approval - LMCIT 2026-2027 Property / Casualty Insurance Renewal - City of Blackduck
- x. Final Approval - May 2025 Supplemental Batch - Township & Range LLC
- y. Final Approval - City of Blackduck Analytics Report - blackduckmn.com
- z. Final Approval - The Library Store Invoice #789304 - Balance Due on Shelving Order
- aa. Final Approval - Delta Dental Contract Renewal 2026-2027 - City of Blackduck, Client #702900
- ab. Final Approval - LOST June 2026
- ac.

Ronald Fredrickson moved to approve the consent agenda removing item 'q.' for further discussion
Laurie Hamilton seconded the motion.

Carried 4 to 0

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

- ad. Removed consent agenda items for further discussion.
- q. Final Approval - May 2026 Business Credit Card Payment

Council member Fredrickson request clarification on the \$2,000 charge to the credit card of Christina Regas. Regas reports payment was made for the purchase of replacement seats and backs for the bar stools at the Liquor Store.

Ronald Fredrickson moved to approve removed consent agenda items for further discussion - item 'q' May 2026 Business Credit Card Payment Nicholas Seitz seconded the motion.

Carried 4 to 0

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

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. there was no one 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. Widseth Updates on City Projects

Ramerth introduced Pelawa to the board and reported on SWCD process; lift station rehab project noting Borings to begin June 9th. Ramerth states MnDot Project clarity requires the City to report on location of city utilities in Summit Ave so the new culvert MnDot is installing does not interfere with city manhole. Ramerth further reports during the MnDot project the state is correcting deficiencies in the culvert that runs under Frontage Road and TH71. Ramerth recommends the City correct any deficiencies on the Frontage Road section and Widseth will inspect the culvert in the professional services proposal needing council approval tonight.

5.1.2. Approval Needed - Widseth Professional Services Proposal TH's 71 & 72 MnDOT Improvement Project City Utility Impacts Assessment

Nicholas Seitz moved to approve a services proposal with Widseth Laurie Hamilton seconded the motion.

Carried 4 to 0

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

5.1.3. Report -

Schwanke reports his staff are flushing hydrants this week; Oscar Ave. is

Council
June 8, 2026

open to the public, the Irrigators have started up and the panel for the Street lighting has no ETA on a repair date.

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

5.2.1. Report -

Lahr reports updating the seats on 10 bar stools; Naylor's has been in to inspect and service one of the two AC units and requested a quote for a third unit which should be installed to keep up with the recent heat and how much heat is put in from the kitchen. Lahr reports the bar has been busy and breakfast has been slower but the traffic from the recent road detour has not affected the bar yet.

5.3. LIBRARY REPORT - KELLY HANKS, HEAD LIBRARIAN

5.3.1. June 18, 2026 - KRLS Board Meeting

5.3.2. Approval Needed - Concrete Quote for Library - Pierce Concrete, Inc.

Nicholas Seitz moved to approve a quote for concrete work at Blackduck Library from Pierce Concrete. Laurie Hamilton seconded the motion.

Carried 4 to 0

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

6. ADMINISTRATOR'S REPORT

a. Council Update - Blackduck Boys & Girls Club - Andrea Kent

Kent was present to provide an update on the Blackduck Boys and Girls Club including the summer program starting with 52 kids registered. Kent states there are two positions open a summer director and full-time benefited position for the school year. Kent provided information on upcoming promotions to raise funding for the boys and girls club.

b. Council Approval Needed - Donation Request - 2026 Blackduck Woodcarvers - Paige Scheldrup

Scheldrup presented the need for funding the rental of the event tent for Woodcarver's Festival

Nicholas Seitz moved to approve a donation of \$1,000 to Blackduck Woodcarvers Festival for a tent rental. Laurie Hamilton seconded the motion.

Carried 4 to 0

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

c. Council Approval Needed - Resolution 2026-12 - Resolution supporting the

appointment of the City Administrator as the Deputy Registrar for the City of Blackduck

Laurie Hamilton moved to approve Resolution 2026-12 Ronald Fredrickson seconded the motion.

Carried 4 to 0

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

- d. Council Approval Needed - Resolution 2026-13 - Resolution in support of declaring a vacancy for the seat of councilor and approve a special election during the 2026 General Election

Laurie Hamilton moved to approve Resolution 2026-13 Ronald Fredrickson seconded the motion.

Carried 4 to 0

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

- e. Council Approval Needed - Resolution 2026-01 revision 1 - Resolution of annual appointments and designations for 2026

Nicholas Seitz moved to approve Resolution 2026-01 revision 01 with updates to committee assignments for the Personnel, Liquor, and Golf Committees Laurie Hamilton seconded the motion.

Carried 4 to 0

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

- f. Approval Needed - Ordinance 2026-01 - An Ordinance amending Section 1180 of the City Code relating to Local Option Sales Tax

Laurie Hamilton moved to approve Ordinance 2026-01 amending Section 1180 of the City Code terminating the Local Option Sales tax on September 30, 2026 Nicholas Seitz seconded the motion.

Carried 4 to 0

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

- g. Council Consideration - Blackduck Police Department Elimination & Contractual Agreement with Beltrami County Sheriff's Office - Rescinding Section 350 of the City Code of the City of Blackduck

Laurie Hamilton moved to approve the elimination of the Blackduck Police Department and contract with the Beltrami Sheriffs Office and to move ahead with processes to rescind Ordinance Section 350 establishing a Police Department in the City of Blackduck Maxwell Gullette seconded the motion.

Discussion among the City Council included needing a plan for the current squad purchased in 2024; having 40 hours of law enforcement presence in the city; and respecting the use of the tax payer dollars for the service.

Carried 4 to 0

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

- h. Thursday, June ~~18~~ 19, 2026 - City Offices Closed in Observance of Juneteenth
- i. Friday, July 3, 2026 - City Offices Closed in Observance of Independence Day
- j. Public Notification - Blackduck City Hall & DMV Closing @ Noon Fridays through July 3, 2026 -
- k. July 6, 2026 - Updated 2025 Financial Audit Presentation - CLA
- l. July 6, 2026 @ 6pm - Blackduck City Council Regular Meeting

7. MAYOR AND/OR COUNCIL MEMBER REPORTS

8. COMMUNITY EVENTS/GOOD THINGS HAPPENING

9. ADJOURNMENT

a.

Laurie Hamilton moved to adjourn the council meeting at 7:03pm Nicholas Seitz 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

Kitchigami Regional Library
Board Meeting June 18, 2026, 6:00 p.m.
Kitchigami Regional Headquarters Building, Pine River, MN

A G E N D A

1. Call to order and Pledge of Allegiance
2. KRLS Oath of Office (as needed)
3. Approval of Agenda
4. Public Input
5. Consent Agenda
 - a. Minutes: May 21, 2026, pg. 5
 - b. Bills: May 2026, pg. 9
 - c. Financial Statements: YTD 2026, pg. 12
 - d. Interim Director's Report, p. 15
6. Old Business
 - a. Pine River Library Foundation Discussion, pg. 20
 - b. 2027 KRLS City/County Operating Budgets, pg. 22
 - c. Administration Building Security, pg. 37
 - d. Other
7. New Business
 - a. Pine River State Bank Authorization, pg. 38
 - b. 2027 Regional Library Basic System Support (RLBSS) Application, pg. 39
 - c. Outsourcing Bookkeeping/Payroll, pg. 46
 - d. Other
8. Chair's Report
9. Adjournment

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

FUTURE BOARD MEETINGS

July 16, 2026	September 17, 2026	November 19, 2026
January 21, 2027	March 18, 2027	May 20, 2027

2025 Kitchigami Regional Library Board Members (revised 01/26/2026)

Kitchigami Director Melissa Whatley (whatleym@krls.org)

BELTRAMI COUNTY

Joe Gould (County Commissioner)

Ph: 218-259-4342; E: joe.gould@co.beltrami.mn.us

Alternate: Vacant

CASS COUNTY

Scott Bruns (County Commissioner)

Ph: 218-820-6545; E: scott.bruns@casscountymn.gov

Alternate: Neal Gaalswyk (County Commissioner)

Ph: 218-839-1841; E: neal.gaalswyk@casscountymn.gov

CROW WING COUNTY

Jamie Lee (County Commissioner)

Ph: 218-866-9040; E: jamie.lee@crowwing.gov

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: tom.krueger@co.hubbard.mn.us

Alternate: Charlene Christenson (Cty Commissioner)

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

WADENA COUNTY

Murlyn Kreklau (County Commissioner)

Ph: 218-837-5352; Cell: 218-639-2011

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

Alternate: Ron Noon

Ph: 218-639-0797; E: ron.noon@wcmn.us

CITY OF BEMIDJI

Lynn Eaton

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

Alternate: Mark Dickinson

Ph: 218-766-9887; E: mark.dickinson@ci.bemidji.mn.us

CITY OF BLACKDUCK

Laurie Hamilton

Ph: 218-760-3920

E: laurie.hamilton@blackduckmn.com

Alternate: Donald Johnson

Ph: 651-280-9694; E: donald.johnson@blackduckmn.com

CITY OF BRAINERD

Mary Koep

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

Alternate: Vacant

CITY OF CASS LAKE

Cecil Reams

Ph: 218-335-6654; E: cgriii@msn.com

Alternate: Vacant

CITY OF LONGVILLE

Neil Tobiason

C: 763-442-5066; E: neil.tobiason@gmail.com

Alternate: Phyllis Eck

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

CITY OF PARK RAPIDS

Jeremy Engholm

Ph: 218-616-2280

E: jeremy.engholm@ci.park-rapids.mn.us

Alternate: Vacant

CITY OF PINE RIVER

Brent Norman

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

Alternate: Tamara Hansen

Ph: 218-587-2440; E: mayor@cityofpineriver.org

CITY OF WADENA

Mark Lunde

Ph: 218-639-5662; E: mlunde@wadena.org

Alternate: Duke Harrison

Ph: 218-639-9077; E: dharrison@wadena.org

CITY OF WALKER

Gene Granberg

Ph: 320-469-3454; E: ggranberg@ci.walker.mn.us

Alternate: Jerecho Worth

Ph: 218-209-5899; E: jworth@ci.walker.mn.us

2026 KITCHIGAMI REGIONAL LIBRARY BOARD COMMITTEES

(Revised 01/15/2026)

Board Officers

Chair	Tom Krueger
Vice-Chair	Murlyn Kreklau
Treasurer	Lynn Eaton
Secretary	Brent Norman

BUDGET COMMITTEE

Tom Krueger, Chair
Joe Gould
Murlyn Kreklau
Jamie Lee
Scott Bruns

STRATEGIC PLANNING / POLICY COMMITTEE

Tom Krueger, Chair
Lynn Eaton
Brent Norman
Jeremy Engholm

PERSONNEL / UNION NEGOTIATION COMMITTEE

Tom Krueger, Chair
Murlyn Kreklau
Jeremy Engholm

INTERNET / ELECTRONIC RESOURCES COMMITTEE

Tom Krueger, Chair
Brent Norman
Joe Gould

AUDIT COMMITTEE

Tom Krueger, Chair
Lynn Eaton

EXTERNAL BOARDS

NORTHERN LIGHTS LIBRARY NETWORK

Governing Board Members:

Delegates: Joe Gould
Jamie Lee

OUTREACH COMMITTEE

Committee of the Whole

NWLlinks

Delegate: Director Melissa Whatley

Kitchigami Regional Library

Oath of Office Policy

Policy

This policy establishes the text of the oath of office that must be taken by all members of the Kitchigami Regional Library board of trustees and the administration of that oath.

Oath

"I do swear to support the constitutions of the United States and of this state; to discharge faithfully the duties of this office to the best of my judgment and ability; to represent the library both to the people and to the governing officials; to see that adequate funds are obtained for good library service; to promote the best possible use of all library resources in the area; to improve existing library service to those not previously served."

Administration

1. The Oath of Office will be administered by the KRLS Director to all members of the board of trustees at the first meeting of the board in each new calendar year, following the election of the board's officers.
2. The Oath of Office will be administered to each member of the board whose term of office begins during the calendar year at the first regular board meeting following the member's appointment.

(adopted by KRLS Board 5/20/04; first administered at that meeting)

**Kitchigami Regional Library System
Board Meeting, May 21, 2026, 6:00 p.m.
Kitchigami Headquarters Building, Pine River, MN**

Board members present: Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Mary Koep, Gene Granberg, Jamie Lee, Murlyn Kreklau

Board members present by interactive technology: Laurie Hamilton (Blackduck), Cecil Reams (Cass Lake)

Board members absent: Joe Gould (Beltrami Cty.), Mark Lunde (City of Wadena)

Others present, non-voting: In Person: Carol Christensen, Troy Bauch, Abby Pearson, Terria Rohloff, Melissa Dingman, Judy Schrupp, Mary Beth Durham, Amanda Mikota, Rhoda Jackson

Interactive Technology: Melissa Brechon, Sheri Warren, Dan Touchette, Mary, Tami Beto, Melissa Whatley, Dyan Ebert, Cyn, Kristi Hastings, Leann Willinbring, BD, Megan Lysford, Hallie Pond, Christian BRN, Amy B

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

KRLS Oath of Office None.

Approval of Agenda Chair Krueger requested to add Item 9g -- Approve Director of Finance and HR Position.

Motion by Lynn Eaton, seconded by Gene Granberg, to approve the amended agenda. Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams. **Motion carried.**

Public Input There was no public input at this meeting.

Consent Agenda **Motion by Jeremy Engholm, seconded by Jamie Lee, to approve the consent agenda Items A-D.**

- a. Minutes: March 19, 2026**
- b. Bills: March – April 2026**
- c. Financial Statements: YTD 2026**
- d. Interim Director’s Report**

Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams. **Motion carried.**

Closed session

Motion by Murlyn Kreklau, seconded by Lynn Eaton, to move the meeting into closed session to discuss personnel under the board's authority at 6:14 p.m. Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams. **Motion carried.**

Motion by Brent Norman, seconded by Gene Granberg, to end the closed session and re-open the public session of the meeting at 6:57 p.m. Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

Old Business

AFSCME Union Contract
2026 – 2028

Motion by Murlyn Kreklau, seconded by Scott Bruns, to approve AFSCME Union Contract 2026- 2028. Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

Step Approval for Non-Union
Staff

Motion by Lynn Eaton, seconded by Jeremy Engholm, to approve a wage increase for non-union KRL employees to match the AFSCME union contract of three percent. Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

New Business --

Pine River Library Hours
Increase

Carol Christenson requested to increase the hours of the Pine River Library to match patrons' needs, with the change to take effect June 1, 2026.

Motion by Brent Norman, seconded by Neil Tobiason, to increase the branch hours as requested. Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

Wadena Library Hours Change

Director Melissa Brechon presented the request for Wadena City Library to change the library's open hours to better fit the community's needs, with the change to take effect immediately.

Motion by Brent Norman, seconded by Neil Tobiason, to change the branch hours as requested. Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

Bredenberg Family Trust /
Bemidji Library

Motion by Lynn Eaton, seconded by Jamie Lee, to approve moving the Bredenberg Family Trust donation for the Bemidji Library from the current money market account to a Certificate of Deposit with Wadena State Bank at 3.8% APY for a three-month period.

Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

Renewal of CDs

Motion by Lynn Eaton, seconded by Mary Koep, to approve the CDs matured on 4/15 and 6/2026 as presented in the Director's Report.

Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

2027 Regional Budget Draft
Discussion

Motion by Murlyn Kreklau, seconded by Lynn Eaton, to approve the preliminary draft budgets presented.

Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

Minnesota Paid Leave Act

Motion by Lynn Eaton, seconded by Jamie Lee, to approve the payment of R2994.89, toward KRLS deductions to the Minnesota paid leave program January 1, 2026, to April 30th, 2026.

Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

Approval of Combined Director
of Finance & HR

Motion by Brent Norman, seconded by Jeremy Engholm, to create the Director of Finance & HR position and post the job opening.

Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

DDA approval

Motion by Lynn Eaton, seconded by Gene Granberg, to approve hiring David Drown & Associates to assist KRLS in a search for a Regional Director.

Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

Motion by Brent Norman, seconded by Lynn Eaton, to approve extending Melissa Brechon’s Interim Director contract at current terms until and for a short term after the hiring of a Regional Director.

Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

Chair’s Report

Stated that he hopes KRLS is now on the path to make KRLS a great Library System for the communities that the board serves.

Motion by Lynn Eaton, seconded by Jeremy Engholm, to adjourn at 7:52 p.m.

Roll call vote was taken. Yes: In-person – Brent Norman, Jeremy Engholm, Lynn Eaton, Tom Krueger, Neil Tobiason, Scott Bruns, Gene Granberg, Mary Koep, Jamie Lee, Murlyn Kreklau; via Zoom: Cecil Reams, Laurie Hamilton. **Motion carried.**

Minutes respectfully submitted by Administrative Assistant Svetlana Maria Lang.

Minutes signed by Board Secretary Brent Norman _____

Date _____

KITCHIGAMI REGIONAL LIBRARY SYSTEM

CHECK REGISTER

May 8, 2026

Check Number	Name	Description	Amount
=====	=====	=====	=====
26928	ABM TECH/OFFICE SHOP	COPIER CONTRACTS	268.16
26929	AFSCME CO 65	AFSCME COUNIL 65 UNION DUES: APR.2026	1,082.01
26930	AFSCME PEOPLE	VOLUNTARY PAYROLL DEDUCTION	8.50
26931	AMAZON	Remittance Stub	-
26932	AMAZON	Remittance Stub	-
26933	AMAZON	Remittance Stub	-
26934	AMAZON	Remittance Stub	-
26935	AMAZON	BOOKS	4,386.41
26936	AMAZON OFFICE	OFFICE SUPPLIES	482.41
26937	ARVIG	PHONE: CL, LV, WD & WK	326.79
26938	BLUE CROSS BLUE SHIELD	VISION INSURANCE	134.61
26939	BRECHON, MELISSA	REIMB INTERIM DIRECTOR	2,805.62
26940	CALEIGH, INC.	LEGACY ARTIST	11,220.00
26941	CASANOVA, MARY	LEGACY ARTIST	8,775.00
26942	CENTURY LINK	BR & BJ TELEPHONES	347.05
26943	CITY OF PINE RIVER	HQ WATER	31.00
26944	DEERWOOD TECHNOLOGIES	NETWORK SUPPORT	51,402.63
26945	DINGMAN, MELISSA	MILEAGE REIMB 2026	26.54
26946	FRETHEM, RENNEE	MILEAGE REIMB 2026	76.85
26947	GALE/CENGAGE LEARNING	Remittance Stub	-
26948	GALE/CENGAGE LEARNING	Remittance Stub	-
26949	GALE/CENGAGE LEARNING	BOOKS	1,356.44
26950	HANKS, KELLY	MILEAGE REIMB 2026	140.65
26951	HOOPLA/MIDWEST TAPE	E RESOURCES	14,999.83
26952	LAKES AREA LOCK & DOOR	HQ MAINT	25.77
26953	LIBERTY BUSINESS SYSTEMS	COPIER LEASE/INSURANCE WADENA	413.00
26954	MARCO-BEMIDJI	COPIER LEASE	114.98
26955	MARCO-WALKER	COPIER LEASE	18.30
26956	MARTIN, CHERYL	MILEAGE REIMB 2026	37.70
26957	MIDWEST TAPE	Remittance Stub	-
26958	MIDWEST TAPE	Remittance Stub	-
26959	MIDWEST TAPE	BOOKS	4,184.14
26960	MINNESOTA POWER	HQ ELECTRICITY	400.73
26961	MPR	RADIO ADS IN BJ & BR	500.00
26962	NORTHLAND FIRE PROTECTION	HQ MAINT/ANNUAL	928.60
26963	NORTH WOOD LAND WORKS	SNOW REMOVAL	115.00
26964	OCLC, INC.	E-RESOURCES	228.57
26965	PAUL BUNYAN COMMUNICATIONS	TELEPHONES: BJ & BK	104.42
26966	PLAYAWAY	BOOKS	1,766.83
26967	RENDON, MARCIE	LEGACY ARTIST	5,000.00
26968	RITEWAY BUSINESS FORMS	P/R CHECK FORMS	202.54
26969	ROHLOFF, TERRIA	LODGING & MILEAGE REIMB 2026	634.93
26970	ROOSOLUTIONS	PERSONEL PROFESSIONAL FEES	1,932.00
26971	SCHULTZ, JODI	MILEAGE REIMB 2026	65.25
26972	SFM	WORK COMP QUARTERLY	1,837.00
26973	TODAY'S BUSINESS SOLUTIONS	ILS MAINTENANCE SERVICE	3,575.00
26974	WASTE PARTNERS	HQ GARBAGE	80.43

TOTAL A/P CHECK RUN

120,035.69

KITCHIGAMI REGIONAL LIBRARY SYSTEM

PAYROLL CHECKS

Payroll for May 8th (April 16th through 30th)

Pay Day	Check Numbers	Account	Amount
=====	=====	=====	=====
5/8/2026	52549 - 52624	Direct Deposits	66,218.88
		Minnesota Withholding Tax paid	3,081.68
		Federal Withholding Tax paid	18,244.59
		PERA-Public Employee Retirement Association paid	10,661.26
		Union Dues Withholding	532.45
		MN Paid Leave	765.24
		Total Payroll Expense	<u><u>\$ 99,504.10</u></u>

AMOUNT EXPENSED

219,539.79

**KITCHIGAMI REGIONAL LIBRARY SYSTEM
CHECK REGISTER
May 22, 2026**

Check Number	Name	Description	Amount
=====	=====	=====	=====
26975	AMAZON BOOKS	Remittance Stub	
26976	AMAZON BOOKS	Remittance Stub	
26977	AMAZON BOOKS	Remittance Stub	
26978	AMAZON BOOKS	Remittance Stub	
26979	AMAZON BOOKS	BOOKS	4,013.54
26980	AMAZON OFFICE	CUSTODIAL SUPPLIES, LIBRARY SUPPLIES	1,536.72
26981	ARVIG	PHONE: PK	56.40
26982	AWE LEARNING	WORKSTATION AT PK	11,630.00
26983	BRANDT-LOER, AUDREY ELISSA	LEGACY: LET'S CREATE KITS 9 OF 12	480.00
26984	CANON	COPIER LEASE/INSURANCE WK & PR	157.88
26985	CROSSING ARTS	LEGACY ARTIST	2,520.00
26986	DEERWOOD TECHNOLOGIES	NETWORK SUPPORT, DATA STORAGE	11,234.50
26987	DEMCO INC	BOOK PREPARATION	207.98
26988	EBSCO INFORMATION	PERIODICALS	183.67
26989	FORUM COMMUNICATIONS	ADVERTISE JOB IN WK	398.98
26990	GALE/CENGAGE LEARNING	Remittance Stub	
26991	GALE/CENGAGE LEARNING	BOOKS	888.09
26992	HUGO'S FAMILY MARKET	HQ SUPPLIES	16.67
26993	KNOTTS, BETH LEY	LEGACY ARTIST	437.50
26994	LAKES AREA MOVING	MOVED CL OUT FOR REMODEL	1,350.00
26995	MADISON PUBLIC LIBRARY	ILL EXPENSE	8.99
26996	MIDWEST TAPE	BOOKS	822.59
26997	MN PEIP	HEALTH INSURANCE	24,584.05
26998	NCPERS	GROUP LIFE INSURANCE	208.00
26999	OFFICE SHOP	OFFICE SUPPLIES	362.23
27000	PAPER STORM	DESTROYED SENSITIVE PAPERS	33.60
27001	PINE RIVER ELECTRIC	HQ MAINT.	845.00
27002	PINE RIVER SANITARY	HQ SEWER	48.40
27003	ROHLOFF, TERRIA	LODGING & MILEAGE REIMB 2026	522.10
27004	ROO SOLUTIONS	JOB DESCRIPTION ASSISTANCE	218.75
27005	SEBCO BOOKS	BOOKS	2,661.03
27006	TDS TELECOM	PHONES, ADMINISTRATION	93.72
27007	TDS TELECOM	PHONES, ADMINISTRATION	24.14
27008	TDS TELECOM	PHONES, PINE RIVER LIBRARY	27.36
27009	VERIZON WIRELESS	ADMIN, HOTSPOTS	1,605.31
27010	VERIZON WIRELESS	MOBILE HOTSPOTS	80.02
27011	VISA	SEE ATTACHMENT	3,714.34
27012	WORTHINGTON DIRECT	LEGACY CABINET AT PINE RIVER LIBRARY	2,848.48
27013	XCEL ENERGY	HQ NATURAL GAS SVC	55.82
TOTAL A/P CHECK RUN			<u><u>73,875.86</u></u>

**KITCHIGAMI REGIONAL LIBRARY SYSTEM
PAYROLL CHECKS
Payroll for May 22nd (May 1st through the 15th)**

Pay Day	Check Numbers	Account	Amount
=====	=====	=====	=====
5/22/2026	52625 - 52697	Direct Deposits	66,100.08
		Minnesota Withholding Tax paid	3,127.15
		Federal Withholding Tax paid	18,402.07
		PERA-Public Employee Retirement Association paid	10,573.22
		Union Dues Withholding	534.28
		Total Payroll Expense	<u><u>\$ 98,736.80</u></u>
		Special Payroll for May 29th (May 15th through the 28th)	
5/29/2026	52698 - *52699*	Paper Check & *Direct Deposits*	15,912.42
		Minnesota Withholding Tax paid	962.03
		Federal Withholding Tax paid	5,003.35
		PERA-Public Employee Retirement Association paid	1,001.71
		Total Payroll Expense	<u><u>\$ 22,879.51</u></u>
TOTAL AMOUNT EXPENSED			<u><u>195,492.17</u></u>

VISA

VISA PINE RIVER STATE BANK

APR.14 - MAY 14, 2026

Val M: 3728

Whatley: 0773

DATE	VAL M.	DATE	MELISSA	PO#	Vendor	Description	G/L Acct
4/16/26	\$104.40						
4/25/26	\$144.45	5/1/26	\$182.43		Zoom Workplace Pro	Admin Software	5655.000
5/5/26	\$117.65						
5/9/26	\$138.10						
VAL M.	\$504.60	WHATLEY	\$182.43				

Richard: 8002

Tami: 4889

DATE	RICHARD	DATE	TAMI	PO#	Vendor	Description	G/L Acct
4/13/26	\$65.09						
4/15/26	\$59.21						
4/17/26	\$79.91	TAMI	\$0.00				
4/20/26	\$66.06						
4/21/26	\$19.75	Svetlana: 2568					
4/22/26	\$61.32	DATE	SVETLANA	PO#	Vendor	Description	G/L Acct
4/24/26	\$62.01	4/29/26	\$13.44		US Postmaster	Postage Due	5214.010
4/27/26	\$71.87	5/6/26	\$150.79		Costco.com	HQ Shelving	5237.000
4/29/26	\$70.37	5/7/26	\$238.35		Costco.com	HQ 4' Adjustable Tables (2)	5237.000
4/30/26	\$62.50	5/8/26	\$1,460.21	12404	Costco.com	HQ Shelving & folding table	5237.000
5/1/26	\$75.59						
5/4/26	\$82.31	SVETLANA	\$1,862.79				
5/5/26	\$21.00						
5/6/26	\$76.92	Allison: 8746					
5/8/26	\$76.09	DATE	ALLISON	PO#	Vendor	Description	G/L Acct
5/11/26	\$72.92	4/14/26	\$9.86		Cenex 371 Pine River	2.99GAL KITS-P/U & DELVRY	6222.010
5/12/26	\$53.30	4/15/26	\$13.44		Cenex 371 Pine River	4.075GAL Meet w/CL city	6222.010
		4/18/26	\$65.00		Costco Wholesale	Membership renewal/Svetlana	5640.000
RICHARD	\$1,076.22	ALLISON	\$88.30				

CARD	ACCT	DESCRIPTION	AMOUNT
VAL M.	5410.040	MOBILE GAS	\$504.60
RICHARD	5310.020	DELIVERY GAS	\$1,076.22
WHATLEY	5655.000	SOFTWARE FEES	\$182.43
ALLISON	5310.010	GAS IN EXPLORER	\$23.30
SVETLANA	5214.010	POSTAGE	\$13.44
ALLISON	5640.000	COSTCO MBRSHIP RENEWED	\$65.00
SVETLANA	5237.000	COSTCO SHELVES & TABLES	\$1,849.35
		TOTAL	\$3,714.34



5/14/26 brief description

STMT AMT DUE: 6/10/26

3714.34

VALIDATE DOLLARS:

\$0.00

KITCHIGAMI REGIONAL LIBRARY
INCOME STATEMENT
2026

	<i>January</i>	<i>February</i>	<i>March</i>	<i>April</i>	<i>May</i>
STATE AND FEDERAL FUNDS					
State RLBSS		284,923.54			
State RLTA Priority 1		34,111.24			
State MN LINKS					
State RLTA Priority 2		46,768.05			
NW-LINKS Library System Funds					
Misc. State Funds					
Legacy Funds	11,625.77	11,625.78	11,625.78	11,625.77	11,625.78
TOTAL STATE AND FEDERAL FUNDS	11,625.77	377,428.61	11,625.78	11,625.77	11,625.78
COUNTY GOVERNMENTS					
Beltrami County					132,581.00
Cass County					
Crow Wing County					
Hubbard County					
Wadena County					73,959.00
TOTAL COUNTY GOVERNMENTS	-	-	-	-	206,540.00
CITY GOVERNMENTS					
Bemidji					77,125.00
Blackduck					10,497.50
Brainerd					
Cass Lake					10,335.00
Longville					6,312.50
Park Rapids					
Pine River					15,725.00
Wadena					47,500.00
Walker					9,650.00
TOTAL CITY GOVERNMENTS	-	-	-	-	177,145.00
AUTOMATION RR					
Bemidji					5,647.00
Blackduck					350.00
Brainerd					
Cass Lake					
Longville					289.00
Park Rapids					
Pine River					255.00
Wadena					1,374.00
Walker					406.00
TOTAL AUTOMATION RR	-	-	-	-	8,321.00
OTHER INCOME					
Interest	7,017.12	6,017.21	6,933.55	5,375.43	5,671.61
Endowment Income			5,671.48		
NLLN Grants					
Donations Region Wide	1,600.00	3,890.57	1,100.00	4,563.55	4,000.00
Branch Sales & Fees	1,627.00	2,077.03	2,471.19	2,446.45	1,823.98
Branch Other Income		-	-		
Inter Library Loan	15.00	22.00	15.00	30.00	34.99
Miscellaneous		-		13.00	
Over/Short	3.37	(289.92)	298.23	13.17	(0.02)
TOTAL OTHER INCOME	10,262.49	11,716.89	16,489.45	12,441.60	11,530.56
TOTAL INCOME	21,888.26	389,145.50	28,115.23	24,067.37	415,162.34

KITCHIGAMI REIONAL LIBRARY
EXPENSE STATEMENT
2026

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>
PERSONNEL					
Wages and Benefits	199,489.29	175,109.73	188,809.34	215,406.84	216,105.53
Health Plan + Supplement	28,061.12	28,154.65	28,020.04	23,709.21	25,931.93
Training & Development	281.68	1,776.89	1,327.22	1,313.87	320.45
Hiring Ads & Interviews				-	617.73
TOTAL PERSONNEL	<u>227,832.09</u>	<u>205,041.27</u>	<u>218,156.60</u>	<u>240,429.92</u>	<u>242,975.64</u>
LIBRARY MATERIALS					
Books, Collections & Processing	22,215.23	7,560.83	17,026.12	10,332.24	(338.66)
Video/DVD/Sound	-	-		640.00	26,619.53
Periodicals	82.48	-	13,384.45		183.67
Hot Spots	1,187.79	1,144.35	1,382.88	1,409.29	1,291.49
E-Resources	26,488.48	29,999.61	6,785.07	23,870.46	15,228.40
Data Based Platforms	15,415.41	9,639.11	25,150.75	(96.23)	(15,415.41)
TOTAL LIBRARY MATERIALS	<u>65,389.39</u>	<u>48,343.90</u>	<u>63,729.27</u>	<u>36,155.76</u>	<u>27,569.02</u>
LIBRARY OPERATIONS					
Postage/Meter Rental	10.47	1,015.60	363.68	259.45	1,013.44
Telecommunications/ML Remote	1,005.90	1,713.75	1,113.64	1,366.90	1,373.72
Supplies	946.71	4,635.65	5,762.43	6,518.38	3,952.56
Copier Contracts/Leases	925.38	1,962.48	309.46	1,167.15	1,835.24
Sales Tax on Copies: CY2025		812.00			
Data Lines NW Links	-		7,526.87		
ARR Reserve Expenses	141,171.92	-	109,143.85	2,080.66	28,337.63
Capital Grant Expense				58,274.00	1,350.00
Contracted Network Support & Software	46,421.00	15,572.69	42,240.15	29,256.25	30,723.30
Network Infrastructure	39,846.00				4,216.20
Technical Equipment & Supplies					
ILS Maintenance		-			
Summer Reading Program	114.75	-	2,229.96	6,063.90	
Winter Reading Program	4,807.61	-			
Promotion				1,000.00	500.00
Inter Library Loans			94.24		28.99
TOTAL LIBRARY OPERATIONS	<u>235,249.74</u>	<u>25,712.17</u>	<u>168,784.28</u>	<u>105,986.69</u>	<u>73,331.08</u>
DELIVERY & STAFF VAN					
Mileage/Route Expense	650.52	678.93	651.61	910.29	1,099.52
Insurance				-	
Repairs and Maintenance/Rentals	1,625.46				497.99
Capital Van Replacement Transfer					
TOTAL DELIVERY & STAFF VAN	<u>2,275.98</u>	<u>678.93</u>	<u>651.61</u>	<u>910.29</u>	<u>1,597.51</u>
MOBILE VEHICLE, Reginal Outreach					
Mileage/Route Expense	258.37	250.70	500.47	535.65	504.60
Insurance					
Repairs and Maintenance	20.25	-			
TOTAL MOBIL LIBRARY VEHICLE	<u>278.62</u>	<u>250.70</u>	<u>500.47</u>	<u>535.65</u>	<u>504.60</u>
HEADQUARTERS FACILITY					
Utilities	967.41	1,000.20	865.42	1,196.48	680.98
Insurance-Contents & Liability					
Building Repair & Maintenance	1,541.48	1,705.70	1,602.43	140.77	1,773.60
TOTAL HEADQUARTERS FACILITY	<u>2,508.89</u>	<u>2,705.90</u>	<u>2,467.85</u>	<u>1,337.25</u>	<u>2,454.58</u>
KRL BOARD & ADMINISTRATION					
Board Meetings	279.85		487.44	1,235.13	426.30
Special Projects		245.05			108.75
Legacy Fund Expenses	9,154.28	1,660.75	3,173.16	14,773.97	28,692.94
Membership Dues					65.00
Professional Fees	7,468.79	4,280.00	16,593.00	5,295.00	5,927.50
Board Insurance					
Software/Fees	1,403.97	323.29	182.43	1,702.18	182.43
TOTAL KRL BOARD	<u>18,306.89</u>	<u>6,509.09</u>	<u>20,436.03</u>	<u>23,006.28</u>	<u>35,402.92</u>
OTHER					
Administration Travel	12.07	-	3,855.50	3,008.96	2,805.62
Associate Service Crosslake			5,000.00		
Associate Service Pequot Lakes			5,000.00		
Banking Fees	50.00	5.00	5.00	5.00	5.00
Miscellaneous, (Income) or Expense			15.08	176.00	1,897.38
Late Fees & (Discounts Saved)				2,379.77	
TOTAL OTHER	<u>62.07</u>	<u>5.00</u>	<u>13,875.58</u>	<u>5,569.73</u>	<u>4,708.00</u>
TOTAL EXPENSES	<u>551,903.67</u>	<u>289,246.96</u>	<u>488,601.69</u>	<u>413,931.57</u>	<u>388,543.35</u>
TOTAL INCOME	<u>21,888.26</u>	<u>389,145.50</u>	<u>28,115.23</u>	<u>24,067.37</u>	<u>415,162.34</u>
EXCESS (DEFICIT) OVER EXP.	<u>(530,015.41)</u>	<u>99,898.54</u>	<u>(460,486.46)</u>	<u>(389,864.20)</u>	<u>26,618.99</u>

KITCHIGAMI REGIONAL LIBRARY
BALANCE SHEET
May 31, 2026

Current Assets		ASSETS	
Petty Cash Checking PRSB	3,119.75		
Main Checking PRSB	284,616.11		
Money Market PRSB	2,245,850.87		
Special Money Market PRSB	721,687.25		
Kitchigami Endowment Fund	141,516.90		
Accounts Receivable	654.00		
Interest Receivable	23,252.11		
Prepaid Insurance	10,573.03		
Prepaid Health Insurance	27,859.28		
Prepaid Materials	44,392.35		
Investment - Certificates of Deposit	584,491.08		
TOTAL Current Assets			4,088,012.73
Fixed Assets			
Land	30,000.00		
Buildings	587,168.00		
A/D Buildings	(288,671.36)		
Vehicles	217,279.21		
A/D Vehicles	(104,287.32)		
Furniture, Fixtures, and Equipment	329,889.16		
A/D Furniture, Fixtures, and Equipment	(301,608.73)		
Legacy Equipment	1,269.00		
A/D Legacy Equipment	(1,269.00)		
Shared Collections	169,942.75		
Book/Contents-HQ	648.07		
Book, Mobile Library	279,798.04		
A/D Books	(266,352.82)		
Intangible Assets	19,916.00		
Accumulated Amortization	(3,319.33)		
Sound, Mobile Library	26,214.55		
Video, Mobile Library	89,566.68		
TOTAL Fixed Assets			786,182.90
TOTAL ASSETS			4,874,195.63
Current Liabilities			
Accounts Payable	98,698.19		
A/P - Special Revenue Fund	2,163.00		
Accounts Payable Salaries	86,680.57		
Direct Deposit Holding Account	(1,254.92)		
Federal & FICA W/H Payable	5,003.35		
State W/H Payable	962.03		
Health & Dental W/H Payable	(129.49)		
PERA Payable	1,846.76		
PERA Life Insurance Withholding Payable	(80.00)		
Union Dues W/H Payable	329.64		
AFSCME People Payable	4.25		
MN Paid Leave Payable	1,669.90		
Deferred Revenue	236,902.30		
TOTAL Current Liabilities			432,795.58
TOTAL LIABILITIES			432,795.58
		CAPITAL	
Investment in Fixed Assets	672,414.15	Expense YTD that auditor	
C/F Building Repair & Maintenance Reserve	79,767.53	will adjust at year end.	
C/F Automation, HQ Reserve	405,575.90		
R/F ARR Branch Reserves	255,457.89		
C/F Capital Appropriation Fund	701,683.13		
C/F Building Reserve	(1,883.00)		
C/F Accounting Software Reserve	26,625.60		
C/F Summer Reading Program Reserve	7,130.45		
C/F Sue Tricker Memorial Outreach Reserve	208,447.94		
C/F Outreach Reserve	0.15		
C/F Vehicle Reserve	80,311.38		
C/F Gates Grants Reserve	19,819.47		
C/F County Levy Buydown Reserve	257,384.00		
C/F Crow Wing County Reserve	124,581.85		
R/F Donations Reserve	409,342.29		
C/F Endowment MN Community Fund	141,517.27		
FUND BALANCE, General Funds	2,307,072.59		
Year-to-Date Earnings	(1,253,848.54)		
TOTAL CAPITAL			4,441,400.05
TOTAL LIABILITIES & CAPITAL			4,874,195.63

5d Interim Director Report

On Wednesday, June 10, Pat Melvin from David Drown met with 13 staff members and a representative of the Union to discuss what attributes they would like to see in the next Kitchigami Regional Library Director. I will enclose a copy of the Director Discussion Guide that he asked all staff to review (and in some cases fill out). Pat will be using this information along with the previous job description to provide a draft to the Personnel Committee and then to the full Board for approval at the July 16th meeting. If you would like to reach out to Pat with any comments on this position, let me know and I will send you his contact information.

KRLS checkouts (January-May) along with a branch activity report will be enclosed. Summer Reading Program started on June 1st with well over 900 student readers logging in over 8,000 hours of reading completed in the first week in our branches. We like to keep these kids reading.

2027 Budget meetings are starting, and I have been able to attend three meetings in Crow Wing County (beautiful historic building), and I would be pleased to join any of you in meetings with your county employees for a discussion on the library budget. In preparing these draft budgets, I reflected only an overall 3% increase with slight increases in collection and delivery. The drafts will be part of this packet.

Payroll updates have been completed with letters sent to employees outlining increases and adjustments based on the Union contract. MN Paid Leave payment has been completed, and she will be working on longevity records. Former bookkeeper (CPA) has been working part time to assist in bringing all payroll records up to date as well as reviewing Pine River Library Building Foundation records. Payroll in KRLS is a lengthy, complicated process due in part to the fact that we continue to have paper timecards. (I hope to have a solution in place soon).

Next week, a consultant will be on site one day to work with staff on SIRSI updates, and he will continue to work remotely until a new Technology person is hired. An updated job description is currently in draft form and will be sent to David Drown for step review and posted by the end of June.

Susan Herreid, organizational assistance specialist, will return to work with administrative staff on June 29th. She has made herself available to staff remotely during this trying time.

The 2025 audit team will be on site June 15/16 to start the yearly audit. We will work to keep the price of this year's audit within reason.

YEARLY ACTIVITY REPORT revised 04-1 revised 08-18-20

BRANCH _____ Regional Totals _____

YEAR __Jan- May 2026 _____

	Bemidji	Blackduck	Brainerd	Cass Lake	Longville	Park Rapids	Pine River	Wadena	Walker	TOTAL
HOURS OPEN:	984	400	1062		428	899	672	827	745	6017
CUSTOMERS:	44018	1630	33711		4860	14141	6973	6779	5694	117806
CIRCULATION: CHECKOUTS	34123	3034	64827		3657	19486	9218	12833	8328	155506
CHILDREN'S ACTIVITIES										
# PROGRAMS	19	5	66		0	34	27	27	31	209
# ATTENDEES	139	70	1415		0	747	285	881	782	4319
VIRTUAL			0							
VIEWS			0							
ADULT ACTIVITIES										
# PROGRAMS	5	2	16		0	7	11		6	47
# ATTENDEES	73	9	316		0	93	90		54	635
SPECIAL LIBRARY EVENTS SPECIFY:										
# EVENTS	0	0	18		5	23	9	7	6	68
# ATTENDEES	0	0	403		69	147	278	270	156	1323
LIBRARY MEETING ROOM USE:					0		60			
LIBRARY MEETINGS:					0					
# MEETINGS	0	0	19		0	7	6	4	3	39
# ATTENDEES	0	0	257		0	81	30	38	20	426
COMMUNITY MEETINGS										
# MEETINGS	187	27	335		2	118	0	67	17	753
# ATTENDEES	880	110	1530		9	1130	0	397	6	4062
INTERNET USE: # USERS	0	165	2504		119	1343	1248	869	799	7047
volunteer hours										
FOTL booksorter hours										
curbside hours										
curbside pick ups										
curbside no shows										0

***** Brainerd's May door counter did not work
 *** Cass was not able to get their stats

KRLS Checkouts

January – May 2025 & 2026

Location	2025	2026	Percent Change
Bemidji	39,088	36,076	-7.71%
Blackduck	3,016	3,076	1.99%
Brainerd	69,037	41,794	-39.46%
Cass Lake	2,125	1,531	-27.95%
Longville	3,927	3,931	.10%
Park Rapids	19,681	21,022	6.81%
Pine River	9,639	10,303	6.89%
Wadena	15,619	13,839	-11.40%
Walker	8,909	8,445	-5.21%

Mobile Locations

Backus	334	140	-58.08%
Bay Lake	140	144	2.86%
Becida	67	44	-34.33%
Garrison	500	532	6.4%
Hackensack	123	63	-48.78%
Laporte	75	50	33.33%
Leader	392	388	-1.02%
Menahga	3,432	4,307	25.50%
Nevis	235	346	47.23%
Nimrod	303	309	1.98%
Nisswa	180	331	83.89%
Remer	400	399	-.25%
Sebeka	1,042	1,147	10.08%

Associate Locations

Crosslake	497	502	1.01%
Pequot Lakes	1,237	1,147	-7.28%

Total	179,998	149,866	-16.74%
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**DDA****Human Resources, Inc.**
a David Drown Associates Company

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3620 Northome Avenue
Wayzata, MN 55391
(612) 920-3320x116 | fax: (612) 605-2375
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Director Discussion Guide

The Library Director position continues to evolve and change to meet growing demands and more challenging public policy realities. Challenging budgetary issues, legislative directives, and economic conditions have intensified the need for high-quality public-sector leadership. This document is designed to assist in the discussion about the current vacancy and help shape an overall direction prior to advertising the position.

Library Director Attributes

The list of attributes for a leadership position can be grouped into four broad categories: Cognitive, Social, Business and Strategic. They are listed below with some attributes in each category. Please review and contemplate the attributes that are most important for the Director.

Cognitive • Intelligence • Critical thinking • Creative thinking • Ability to learn • Simple problem-solving skills	Social • Communication skills • Persuasion/negotiation skills • Collaboration skills • Team building skills • Approachable • Sense of humor
Business • Financial management skills • Organizational management skills • Personnel management skills	Strategic • Systems level awareness • Visioning skills • Complex problem-solving skills • Organizational change skills • Innovation skills • Decision making • Delegation skills

Workplace Climate Assessment:

1. What are the current challenges in the organization?
2. What are the current strengths of the organization?
3. What is the morale within the organization?
4. How do elected officials and management collaborate?
5. What can be done to improve the organization?

Executive Director:

6. What is your vision for the organization?
7. What do you dislike about what is happening in the organization?
8. What do you like about what is happening in the organization?
9. What are the priorities for the new Director?
10. What background and experience is considered ideal for the preferred candidate?
11. How important is it for the Director to have a significant community presence?
12. What qualities would an ideal Director have?
13. What is needed to excel in the organization?
14. What organizational goals do you see for the short and long term?
15. What are the most important community and organizational assets that should be highlighted in the profile and advertisement?

6a Pine River Library Building Foundation

Action Requested: Approve a letter from the KRLS Board Chair to the Pine River Library Building Foundation with an explanation of investigative findings.

Background Information: The Pine River Library Building Foundation (PRLBF) is a non-profit organization that has a fiduciary responsibility to the donors and community to ensure that funds raised and donated are used as intended. The Foundation funding for the Pine River Library is separate from KRLS funding.

Following is the timeline of a financial inquiry:

October 21, 2024: Letter to the Pine River Library Branch Manager and KRLS Director asking for receipts for purchases starting on 4/12/2023 (timeline coinciding with staff member's employment at PRL).

October 23, 2024: Response from staff member explaining purchases were made on a Convenient Card (a type of payment card used as a debit card).

November 5, 2024: Letter from KRLS Director to Foundation Board disagreeing with claims of misuse of CC by staff member. (Receipts for transactions were enclosed.)

November 13, 2024: Members of the Foundation Board sent a certified letter to the KRLS employee asking for receipts.

January 7, 2025: The PRLBF reported a fraud case to the Pine River Police Department, narrative by Andrew Rooney about a reported fraud case.

April 21, 2025: Assistant Cass County Attorney Chelsea Langton sent a letter to the PRLBF Board Chair regarding an incident occurring on February 4, 2025, discussing the context of criminal prosecution.

February 17, 2026: Certified Letter sent from the PRLBF Board to members of the KRLS Regional Library Board asking for reimbursement of the unverified funds at issue.

March 12, 2026: A letter was sent to PRLBF Board by the Chair of KRLS Board saying that KRLS would research this issue in conjunction with a current investigation and report back to their Board.

Result: The investigation that followed the March 12 letter included a forensic audit by ABDO Solutions which found no evidence of any misuse of funds as it related to PRLBF.

The Interim Director requested files from the Pine River Library Branch Manager covering the dates involved (2023-2024). The box of files was reviewed by a former KRLS Bookkeeper (CPA), and the records and receipts regarding the Foundation activity were found to be incomplete

and disorganized. During the review, the bookkeeper placed bank/city and receipts in labeled files so that they may be reviewed by the Foundation Board (the files have been returned to the library).

When asked about current financial policies the Foundation had in place, it was discovered that there is verbal agreement in place between the Branch Manager and the Foundation Board that approved distribution of funds in the following format:

- 25% to be passed on to the library for programming supplies, etc.
- 25% remains in the Foundation account
- 50% goes to the goals account.
- There are no formal financial policies/procedures in written form.

A good faith review of the available materials has been completed. No additional action is recommended at this time. With Board approval, a letter will be sent to the Pine River Library Building Foundation Board providing the following information.

MOTION MADE BY: _____

SECOND BY: _____

ROLL CALL VOTE: _____ **YES** _____ **NO**

6b 2027 City/County Draft Operating Budgets

Action Requested: Approval of sending operating budgets to cities and counties.

Background Information: The May Board packet contained a draft of the city/county operating budgets for 2027. At that meeting and later there was no discussion from board members on the budget requests (except for Crow Wing County where a draft budget was presented by library staff 6/11/26). All budget requests were held to 3% increases in most areas with 3% COLA 2% increase for personnel, 3.5% increase for materials, 3.5% increase for delivery. If these slight increases are agreeable, then approval is needed to send them on to cities and counties.

MOTION MADE BY: _____

SECONDED BY: _____

ROLL CALL VOTE: _____ YES _____ NO

2027 Operating Budget Beltrami County

Highlights: Residents of the county can receive library services through the Bemidji Public Library and Blackduck Community Library.

	2025 Approved	2026 Approved	2027 DRAFT	Using 2025 approved budget
Expense				
KRLS Board	\$ 850	\$850	\$850	

Outreach

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

Branch Libraries (Bemidji and Blackduck)

Personnel	522,200.00	384,750.00	548,623.00	3% Cola, 2% Step
Communications	9,630.00	9,730.00	9,870.00	2.5% increase
Materials	73,401.00	43,303.00	75,970.00	3.5 % increase
Technical Services	27,868.00	27,868.00	28,564.00	2.5% increase
Delivery	1,440.00	1,440.00	1,490.00	3.5% gas price increase
City KRL Board	1,700.00	1,700.00	1,700.00	
County Total:	636,239.00	468,791.00	666,217.00	

Revenue

City Levy Requests

Bemidji	(146,750.00)	(154,250.00)	(159,889.00)	3% increase
Blackduck	(20,380.00)	(20,995.00)	(21,974.00)	
City Levy Request Total	(167,130.00)	(175,245.00)	(181,863.00)	

County Levy Request:	469,959.00	265,162.00	\$462,351
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Total using \$7608 RLTA bydown

Additional Contributina Revenue

	(\$ 6,410)	(\$ 6,410)	(\$ 7,608)	From RLTA reserve
	(\$ 22,824)	(\$ 15,216)		From County Levy Buydown Reserve

2027 Operating Budget Cass County

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.

	2025 Approved	2026 Approved	2027 Draft
Expense			
KRL Board	\$ 850	\$ 850	\$850

Outreach

Operating	26,036.00	26,036.00	26,817.00	3% increase
Capital				
Outreach Total:	26,036.00	26,036.00	26,817.00	

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

Personnel	407,780	413,780	434,717	3% COLA, 2%step
Communications	17,270	16,470	16,882	2.5% increase costs
Materials	109,568	107,979	111,758	3.5% increase in collection costs
Technical Services	19,453	19,453	19,939	2.5% increase contracts
Delivery	2,880	2,880	2,981	3.5% gas price increase
City KRL Board	3,400	3,400	3,400	
Total:	560,351.00	563,962.00	589,677.00	

Cass County Total:	587,237.00	590,848.00	617,344.00
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Revenue

City Levy Requests

Cass Lake	(10,030.00)	(10,335.00)	(10,520.00)	2% increase
Longville	(12,255.00)	(12,625.00)	(12,878.00)	2% increase
Pine River	(15,260.00)	(15,725.00)	(16,040.00)	2% increase
Walker	(18,725.00)	(19,300.00)	(19,686.00)	2% increase

City Levy Request Total	(56,270.00)	(57,985.00)	(59,124.00)
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County Levy Request:	530,967.00	532,863.00	\$552,050	RLTA bydown total
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Additional Contributing Revenue

From RLTA Reserve	(13,960.00)	(13,960.00)	
From County Levy buydown Reserve	(18,511.00)	(12,340.00)	(6,170.00)
From Outreach Reserve	(6,465.00)	(12,496.00)	

2027 Operating Budget Crow Wing County

Highlights: County residents can access public library services 51 hours/week at Brainerd Public Library. Outreach services provided at stops in Nisswa, Garison and Bay Lake.

KRLS also provides funding and services to associate libraries in Crosslake and Pequot Lakes for the benefit of KRLS cardholders.

	2025 Approved	2026 Approved	2027 Draft	
Expense				
KRL Board				
	\$ 850	\$850	\$850	
Outreach				
Operating	\$ 26,088	\$ 26,088	\$ 33,914	3% increase
Capital	\$ -	\$ -	\$ -	
Total:	\$ 26,088	\$ 26,088	\$ 33,914	
Branch Library: Brainerd				
Personnel	\$ 553,900	\$ 504,900	\$ 559,444	3% COLA, 2% step
Communications	\$ 7,043	\$ 7,043	\$ 7,219	2.50%
Materials	\$ 98,275	\$ 88,245	\$ 98,314	3.5% increase in collection costs
Technical Services	\$ 28,105	\$ 28,105	\$ 28,807	2.50%
Delivery	\$ 720	\$ 720	\$ 745	3.5% gas increase
City KRL Board	\$ 850	\$ 850	\$ 850	
Total:	\$ 688,893	\$ 629,863	\$ 695,379	
County Total:	\$ 715,831	\$ 656,801		
County Levy Request:	\$ 509,127	\$ 524,400	\$ 609,349	
Additional Contributed Revenue				
City Levy Requests				
Brainerd	(\$ 81,090)	(\$ 83,525)	\$ 86,030	3% levy increase
City Levy Request Total	(\$ 81,090)	(\$ 83,525)	(\$ 86,030)	
Transfers from reserves				
	-10000	-10000		From CWC Reserve for Asst. Library
	-37644	-10648		From County Levy Buydown reserve for CWC
	-26996	0		From County Levy Buydown reserve for BPL
	-4943	-4943		From RLTA reserve
	-4795	-12520		From Outreach reserve
	-41236	0		From KRLS General Fund
		-11578		*Gates grant attributable to BR

2027 Operating Budget Hubbard County

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.

2025 Approved 2026 Approved 2027 Draft

Expense

KRL Board

	\$ 850	\$ 850	\$ 850
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Outreach

Operating	\$ 17,168	\$ 17,168	\$ 17,683	3% increase
Capital	\$ -	\$ -	\$ -	
Total:	\$ 17,168	\$ 17,168	\$ 17,683	

Branch Library: Park Rapids

Personnel	\$ 253,880	\$ 271,980	\$ 285,742	3% COLA, 2% Step
Communications	\$ 4,505	\$ 4,505	\$ 4,617	2.5% increase costs
Materials	\$ 57,337	\$ 50,639	\$ 52,411	3.5% increase in collection costs
Technical Services	\$ 11,146	\$ 11,146	\$ 11,424	2.5% increase costs
Delivery	\$ 720	\$ 720	\$ 745	3.5% gas price increase
City KRL Board	\$ 850	\$ 850	\$ 850	
Total:	\$ 328,438	\$ 339,840	\$ 355,789	

Revenue

County Total:	\$ 346,456	\$ 339,840	\$ 355,789
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City Levy Requests

Park Rapids

City Levy Request Total

(\$ 54,000)	(\$ 55,625)	(\$ 56,737)
(\$ 54,000)	(\$ 55,625)	\$ 56,737

County Levy Request: \$ 262,668 \$ 271,412 \$ 291,817

RLTA buy down total

Additional Contributing Revenue

	\$ -	\$ -	\$ -
	(\$ 21,706)	(\$ 14,470)	
	-3805	-3805	-7235
	-4277	-4277	
			-4301

From County Levy Buydown reserve
From RLTA Reserve
From Outreach Reserve
Hubbard County 2024 Levy Overpayment

2027 Operating Budget Wadena County

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

	2025	2026	2027
	Approved	Approved	Draft

Expense

KRL Board

	\$ 850	\$ 850	\$ 850
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Outreach

Operating	\$ 37,561	\$ 37,561	\$ 38,687
Capital	\$ -	-	3%
Total:	\$ 37,561	\$ 37,561	\$ 38,687

Branch Library: Wadena

Personnel	\$ 192,080	\$ 199,580	\$ 217,138	
Communications	\$ 4,622	\$ 4,697	\$ 5,871	2.50%
Materials	\$ 28,392	\$ 27,636	\$ 35,926	3.50%
Technical Services	\$ 8,893	\$ 8,893	\$ 11,116	2.50%
Delivery	\$ 720	\$ 720	\$ 972	3.50%
City KRL Board	\$ 850	\$ 850	\$ 850	same
Total:	\$ 235,557	\$ 243,132	\$ 271,873	3% COLA

2% step
increase costs
increase in collection
increase contracts
gas price increase

County Total:

	\$ 281,390	\$ 281,543	\$ 310,550
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Revenue

City Levy Requests

Wadena	(\$ 89,400)	(\$ 92,265)	(\$ 94,110)
City Levy Request Total	(89,400)	(\$ 92,265)	(\$ 94,110)

County Levy Request:

	-\$ 148,585	-\$ 147,918	\$ 145,120
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Additional Contributing Revenue

Transfers from reserves

	\$ -	\$ -	\$ -
	-3222	-3222	From RLTA reserve
	-28008	-18672	-7235 From County Levy Buydown reserve
	-9463	-17993	From Outreach reserve

2027 Operating Budget Bemidji

Highlights: The Bemidji branch library will continue to be open to the public 56 hours per week. KRLS will support regional branch manager salary.

	2025 Approved	2026 Approved	2027 Draft	
Expense				
KRL Board				
\$850	\$ 850	\$ 850	\$ 850	\$ 850
Personnel				
Wages	\$ 387,500	\$ 247,972	\$ 407,107	3% Cola, 2% step
Health Plan and Supplement	\$ 71,400	\$ 43,320	\$ 73,542	3%
Training and Development	\$ 2,400	\$ 2,000	\$ 2,000	
Personnel Total:	\$ 461,300	\$ 293,292	\$ 482,649	
Communications				
Postage	\$ -	\$ -	\$ -	Covered by HQ
Telecommunications	\$ 2,600	\$ 2,700	\$ 2,767	
Data Lines	\$ 3,205	\$ 3,205	\$ 3,205	
Communications Total:	\$ 5,805	\$ 5,905	\$ 5,972	
Materials				
Books	\$ 35,000	\$ 35,000	\$ 45,500	3.5% increase
Audiovisual	\$ 5,000	\$ 5,000	\$ 5,000	
Periodicals	\$ 2,449	\$ 2,449	\$ 2,522	3% increase
Database platforms	\$ -	\$ -	\$ -	
Shared Collections	\$ 4,809	\$ 4,809	\$ 4,809	
E-materials	\$ 12,024	\$ 9,620	\$ 12,444	3.5% increase
Supplemental processing	\$ 1,000	\$ 1,000	\$ 1,000	
Supplies	\$ 3,000	\$ 3,000	\$ 3,060	2% increase
Total Materials	\$ 63,282	\$ 60,878	\$ 74,335	
Technical Services				
Technical Support	\$ 23,382	\$ 23,382	\$ 23,382	
Technical Services Total:	\$ 23,382	\$ 23,382	\$ 23,382	
Delivery				
Thursday delivery route				
Operating	\$ 320	\$ 320	\$ 320	
Capital (van replacement)	\$ 400	\$ 400	\$ 400	
Total Delivery:	\$ 720	\$ 720	\$ 720	
Branch TOTAL	\$ 555,339	\$ 385,027	\$ 586,987	
Total with City COVID19 Fund Balance Offset				
City Levy Request	\$ 149,750	\$ 154,250	\$ 154,242	
City ARR Reserve	\$ 5,647	\$ 5,647	\$ 5,647	Automation Reserve and Replacement
County Levy Requirement	\$ 402,384	\$ 227,572	\$ 427,089	
Additional Contributing Revenue				
	(\$ 3,205)	(\$ 3,205)		From RLTA Reserve

2027 Operating Budget Blackduck

Highlights: The Blackduck Community Library will continue with the same weekly hours as 2024.

	2025 Approved	2026 Approved	2027 Draft	Using 2025 approved Increase Branch Manager hours from 20-24 restore healthcare
City KRL Board	850.00	850.00	850.00	
Personnel				
Wages	59,500.00	55,500.00	62,510.00	3% Cola, 2% step
Health Plan and Supplement				
Training and Development	1,400.00	900.00	1,400.00	
Personnel Total:	60,900.00	56,400.00	63,910.00	
Communications				
Postage				Covered by HQ
Telecommunications	620.00	620.00	620.00	
Data Lines	3,205.00	3,205.00	3,205.00	
Communications Total:	3,825.00	3,825.00	3,825.00	
Materials				
Books	6,250.00	6,250.00	6,468.00	3.5% increase cost
Audiovisual	1,100.00	1,100.00	1,100.00	DVD/CD/Audiobook
Periodicals	60.00	60.00	68.00	Newspapers/Magazine
Database platforms				Currently covered by HQ
Shared Collections	488.00	488.00	488.00	Rotating large print
E-materials	1,221.00	977.00	1,263.00	3.5% increase cost
Supplemental processing	500.00	500.00	500.00	To catalog and process donated and
Supplies	500.00	500.00	500.00	Library supplies
Software and licenses		9,875.00		
Total Materials	10,119.00		10,387.00	
Technical Support	4,486.00	4,486.00	4,486.00	
Technical Services Total:	4,486.00	4,486.00	4,486.00	
Delivery				
Operating	320.00	320.00	320.00	
Capital	400.00	400.00	400.00	
Delivery Total:	720.00	720.00	720.00	
Branch TOTAL	80,900.00	81,406.00	83,328.00	
City Levy Request	20,380.00	20,995.00	21,624.00	3% increase
City ARR Reserve	350.00		350.00	Automation Reserve and Replacement
County Levy Requirement	56,829.00	57,315.00	\$ 58,499	applied
Additional Contributing Revenue	(3,205.00)	(3,205.00)	(3,205.00)	From RLTA Reserve

2027 Operating Budget Brainerd

Highlights: The Brainerd Public Library will provide public library services for 51 hours per week.

	2025 Approved	2026 Approved	2027 Draft	
Expense				
KRL Board	\$ 850	\$ 850	\$ 850	
Personnel				
Wages	\$ 480,500	\$ 431,500	\$ 506,735	3% COLA, 2% step
Health Plan and Supplement	\$ 71,400	\$ 71,400	\$ 73,542	3% Increase
Training and Development	\$ 2,000	\$ 2,000	\$ 2,000	
Personnel Total:	\$ 553,900	\$ 504,900	\$ 582,277	
Communications				
Postage	\$ -	\$ -	\$ -	
Telecommunications	\$ 2,100	\$ 2,100	\$ 2,100	
Data Lines	\$ 4,943	\$ 4,943	\$ 4,943	
Communications Total:	\$ 7,043	\$ 7,043	\$ 7,043	
Materials				
Books	\$ 53,465	\$ 49,410	\$ 51,139	3.5% increase
Audiovisual	\$ 13,000	\$ 11,310	\$ 13,000	DVD/CD/Audiobook
Periodicals	\$ 4,000	\$ 3,000	\$ 4,000	Newspapers/Magazine
Database platforms	\$ -	\$ -	\$ -	Currently covered by HQ
Shared Collections	\$ 6,970	\$ 6,970	\$ 6,970	Rotating large print
E-materials	\$ 16,425	\$ 13,140	\$ 13,399	3.50%
Supplemental processing	\$ 1,000	\$ 1,000	\$ 1,000	To catalog and process donated and misc. materials.
Supplies	\$ 3,415	\$ 3,415	\$ 3,415	Library supplies
Software and licences	\$ -	\$ -	\$ -	
Total Materials	\$ 98,275	\$ 88,245	\$ 92,923	
Technical Services				
Technical Support	\$ 28,105	\$ 28,105	\$ 28,105	
Technical Services Total:	\$ 28,105	\$ 28,105	\$ 28,105	
Delivery				
Thursday delivery route				
Operating	\$ 320	\$ 320	\$ 320	
Capital (van replacement)	\$ 400	\$ 400	\$ 400	
Total Delivery:	\$ 720	\$ 720	\$ 720	
Branch TOTAL	\$ 688,893	\$ 629,863	\$ 711,738	
City Levy Request	\$ 81,090	\$ 82,712	\$ 85,193	3%
City ARR Reserve	\$ 4,659	\$ 4,659	\$ 4,659	Automation Reserve and Replacement
Branch Costs not Paid by City Levy				
	\$ 534,628	\$ 530,630	\$ 540,132	
Revenue				
	(\$ 4,943)	-4943		Transfer from RLTA reserve
	(\$ 41,236)	-41236		Regional Funding of Branch Manager position
	-26996	-26996		Support of BPL budget from CWC Levy Buydown

2027 Operating Budget Cass Lake

Highlights: The Cass Lake library will continue to be open 20 hours per week

	2025 Approved	2026 Approved	2027 Draft Draft
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Expen
KRL Board
Personnel

	\$ 850	\$ 850	\$ 850
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Wages
Health Plan and Supplement
Training and Development
Personnel Total:

	\$ 55,000	\$ 52,000	\$ 53,560
	\$ 2,400	\$ 2,400	\$ 2,472
	\$ 750	\$ 900	\$ 900
	\$ 58,150	\$ 55,300	\$ 56,932

Communications
Postage
Telecommunications
Data Lines
Communications Total:

	\$ -	\$ -	\$ -
	\$ 700	\$ 770	\$ 770
	\$ 2,809	\$ 2,809	\$ 2,809
	\$ 3,579	\$ 3,579	\$ 3,579

Books
Audiovisual
Periodicals
Database platforms
Shared Collections
Shared eMaterials
Supplemental processing
Supplies
Total Materials

	\$ 14,236	\$ 14,236	\$ 14,734
	\$ 4,978	\$ 4,978	\$ 4,978
	\$ 300	\$ 300	\$ 300
	\$ -	\$ -	\$ -
	\$ 455	\$ 455	\$ 455
	\$ 1,138	\$ 910	\$ 910
	\$ 50	\$ 50	\$ 50
	\$ 650	\$ 650	\$ 663
	\$ 21,807	\$ 21,579	\$ 22,090

Technical Services
Technical Support
Technical Services Total:

	\$ 2,851	\$ 2,851	\$ 2,851
	\$ 2,851	\$ 2,851	\$ 2,851

Delivery
Thursday delivery route
Operating
Capital (van replacement)
Total Delivery:

	\$ 320	\$ 320	\$ 320
	\$ 400	\$ 400	\$ 400
	\$ 720	\$ 720	\$ 320

Branch TOTAL	\$ 87,957	\$ 84,879	\$ 85,772
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City Levy Request	\$ 10,030	\$ 10,335	\$ 10,520
City ARR Reserve	\$ 300	\$ 300	\$ 300

County Levy Requirement	\$ 75,118	\$ 71,735	\$ 74,952
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Additional Contributing Revenue

(\$ 2,809) (\$ 2,809)

rita

2027 Operating Budget Longville

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

	2025 Approved	2026 Approved	2027 Draft
City KRL Board	\$ 850	\$ 850	\$ 850
Personnel			
Wages	\$ 64,000	\$ 66,000	\$ 69,339
Health Plan and Supplemental	\$ 2,400	\$ 2,400	\$ 2,400
Training and Development	\$ 750	\$ 900	\$ 900
1 stipend; 1 held in reserve from 2024 funds adjusted to match other level 1 branches			
Personnel Total:	\$ 67,150	\$ 69,300	\$ 72,639
Communications			
Postage	\$ -	\$ -	\$ -
Telecommunications	\$ 570	\$ 570	\$ 750
Data Lines	\$ 2,809	\$ 2,809	\$ 2,809
Budgeted to be paid from RLTA P1 State Aid			
Communications Total:	\$ 3,379	\$ 3,379	\$ 3,559
Materials			
Books	\$ 16,440	\$ 16,440	\$ 17,016
Audiovisual	\$ 6,650	\$ 6,650	\$ 6,650
Periodicals	\$ 600	\$ 600	\$ 600
Database platforms	\$ -	\$ -	\$ -
Shared Collections	\$ 573	\$ 573	\$ 573
Shared eMaterials	\$ 1,433	\$ 1,146	\$ 1,186
Supplemental processing	\$ 200	\$ 200	\$ 200
Supplies	\$ 1,000	\$ 1,000	\$ 1,020
Audio collection dropped, funding put into ematerials			
Total Materials	\$ 26,896	\$ 26,609	\$ 26,672
Technical Services			
Technical Support	\$ 4,814	\$ 4,814	\$ 4,814
Increased need for audiobooks with removal of rotating collection			
Technical Services Total:	\$ 4,814	\$ 4,814	\$ 4,814
Delivery			
Operating	320	320	320
Capital	400	400	400
Delivery Total:	720	720	720
Branch TOTAL	\$ 103,809	\$ 105,672	\$ 106,404
Total with City COVID19 Fund Balance Offset			
City Levy Request	\$ 12,255	\$ 12,625	\$ 13,003
3%			
City ARR Reserve	\$ 289	\$ 289	\$ 289
County Levy Requirement	\$ 88,745	\$ 90,238	\$ 92,945
Additional Contributing Revenue			
-2809	-2809	-2809	-2809
Budgeted from RLTA			

2027 Operating Budget Park Rapids

Highlights: The Park Rapids Area Library will continue to have 44 open public hours per week.

Expense	2025	2026	2027
	Approved	Approved	Draft
KRL Board			
	\$ 850	\$ 850	\$ 850
Personnel			
Wages	\$ 218,500	\$ 237,000	\$ 248,992
Health Plan and Supplement	\$ 32,880	\$ 32,880	\$ 3,374
Training and Development	\$ 2,500	\$ 2,100	\$ 2,100
			3% COLA 2% step
			2 FT health plan 2 PT health supplements
			possible reduction - reduced to match similar branch
Personnel Total:	\$ 253,880	\$ 271,980	\$ 254,466
Communications			
Postage	\$ -	\$ -	\$ -
Telecommunications	\$ 700	\$ 700	\$ 700
Data Lines	\$ 3,805	\$ 3,805	\$ 3,805
			Budgeted from RLTA P1 Funds
Communications Total:	\$ 4,505	\$ 4,505	\$ 4,505
Materials			
Books	\$ 35,431	\$ 29,991	\$ 30,890
Audiovisual	\$ 10,000	\$ 10,000	\$ 10,000
Periodicals	\$ 1,500	\$ 1,500	\$ 1,500
Database platforms	\$ -	\$ -	\$ -
Shared Collections	\$ 2,516	\$ 2,516	\$ 2,516
E-materials	\$ 6,290	\$ 5,032	\$ 5,208
Supplemental processing	\$ 453	\$ 500	\$ 500
Supplies	\$ 1,100	\$ 1,100	\$ 1,122
			2% increase
Total Materials	\$ 57,337	\$ 50,639	\$ 51,736
Technical Services			
Technical Support	\$ 11,146	\$ 11,146	\$ 11,146
Technical Services Total:	\$ 11,146	\$ 11,146	\$ 11,146
Delivery			
Thursday delivery route			
Operating	\$ 320	\$ 320	\$ 320
Capital (van replacement)	\$ 400	\$ 400	\$ 400
Total Delivery:	\$ 720	\$ 720	\$ 720
Branch TOTAL	\$ 328,438	\$ 339,840	\$ 322,293
City Levy Request	\$ 54,000	\$ 55,625	\$ 57,293
City ARR Reserve	\$ 3,601	\$ 3,601	\$ 3,601
County Levy Requirement	\$ 270,633	\$ 280,410	\$ 299,052
			Automation Reserve and Replacement

2027 Operating Budget Pine River

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

2025 Approved 2026 Approved 2027 Draft

City KRL Board	\$ 850	\$ 850	
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Personnel

Wages	\$ 121,500	\$ 119,500	\$ 123,085
Health Plan and Supplement	\$ 17,640	\$ 15,240	\$ 15,697
Training and Development	\$ 1,500	\$ 1,600	\$ 1,600
Personnel Total:	\$ 140,640	\$ 136,340	\$ 140,382

Increased to match similar branches

Communications

Postage	\$ -	\$ -	\$ -
Telecommunications	\$ 1,300	\$ 500	\$ 500
Data Lines	\$ 5,545	\$ 5,545	\$ 5,545
Communications Total:	\$ 6,845	\$ 6,045	\$ 6,045

Covered by HQ reduced phone costs

Budgeted to be paid from RLTA P1 State Aid

Materials

Books	\$ 15,708	\$ 15,708	\$ 16,267
Audiovisual	\$ 6,206	\$ 6,206	\$ 6,206
Periodicals	\$ 1,250	\$ 1,250	\$ 1,250
Database platforms	\$ -	\$ -	\$ -
Shared Collections	\$ 1,141	\$ 1,141	\$ 1,141
Shared eMaterials	\$ 2,852	\$ 2,852	\$ 2,361
Supplemental processing	\$ 450	\$ 450	\$ 450
Supplies	\$ 1,000	\$ 1,000	\$ 1,020
Total Materials	\$ 28,607	\$ 28,037	\$ 28,695

Currently covered by HQ removing audio collection and putting towards ematerials

Technical Support	\$ 6,277	\$ 6,277	\$ 6,277
Technical Services Total:	\$ 6,277	\$ 6,277	\$ 6,277

Delivery

Operating	320	320	320
Capital	400	400	400
Delivery Total:	720	720	720

Branch TOTAL	\$ 183,939	\$ 178,269	\$ 182,839
Total with City COVID19 Fund Balance Offset			

City Levy Request	\$ 15,260	\$ 15,725	\$ 16,696
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held to 3% levy

City ARR Reserve	\$ 255	\$ 255	\$ 255
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Automation Reserve and Replacement

County Levy Requirement	\$ 163,134	\$ 153,841	\$ 158,456
Revenue	0	0	0
	-5545	-5545	-6170
			From RLTA reserve

2027 Operating Budget Wadena

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

2025 2026 2027
Approved Approved Draft

Increase BM hours from 37-40

Expense			
KRL Board	\$ 850	\$ 850	\$ 850
Personnel			

Wages	\$ 167,000	\$ 174,100	\$ 179,323
Health Plan and Supplement	\$ 30,480	\$ 30,480	\$ 31,394
Training and Development	\$ 2,100	\$ 2,100	\$ 2,100
Personnel Total:	\$ 199,580	\$ 206,680	\$ 212,817

Communications			
Postage	\$ -	\$ -	\$ -
Telecommunications	\$ 1,475	\$ 1,475	
Data Lines	\$ 3,222	\$ 3,222	\$ 3,222
Communications Total:	\$ 4,697	\$ 4,697	

Materials

Books	\$ 16,500	\$ 16,500	\$ 17,077
Audiovisual	\$ 5,000	\$ 5,000	\$ 5,000
Periodicals	\$ 850	\$ 850	\$ 850
Database platforms	\$ -	\$ -	
Shared Collections	\$ 1,512	\$ 1,512	\$ 1,512
E-materials	\$ 3,780	\$ 3,024	\$ 3,129
Supplemental processing	\$ 150	\$ 150	\$ 150
Supplies	\$ 600	\$ 600	\$ 612
Total Materials	\$ 28,392	\$ 27,636	\$ 28,330

Technical Services			
Technical Support	\$ 8,893	\$ 8,893	\$ 8,893
Technical Services Total:	\$ 8,893	\$ 8,893	\$ 8,893

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

Branch TOTAL	\$ 243,132	\$ 249,476	\$ 251,480
City Levy	\$ 92,265	\$ 95,000	\$ 97,850
County ARR	\$ 1,374	\$ 1,374	\$ 1,374
County Levy Requirement	\$ 142,563	\$ 146,172	\$ 145,120

Additional Contributing Revenue	\$ -	\$ -	\$ -
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-3222 -3222 -7235 from RLTA reserve

2027 Operating Budget Walker

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

2025 2026 2027
Approved Approved Draft

City KRL Board	\$ 850	\$ 850	\$ 850
Personnel			
Wages	\$ 125,000	\$ 136,000	\$ 140,080
Health Plan and Supplement	\$ 15,240	\$ 15,240	\$ 15,697
Training and Development	\$ 1,600	\$ 1,600	\$ 1,600
Personnel Total:	\$ 141,840	\$ 152,840	\$ 157,377

Communications

Postage	\$ -	\$ -	\$ -
Telecommunications	\$ 670	\$ 670	\$ 670
Data Lines	\$ 2,797	\$ 2,797	\$ 2,797
Communications Total:	\$ 3,467	\$ 3,467	\$ 3,467

Budgeted to be paid from RLTA P1 State Aid

Materials

Books	\$ 19,133	\$ 19,133	\$ 19,802
Audiovisual	\$ 7,247	\$ 7,247	\$ 7,247
Periodicals	\$ 1,000	\$ 1,000	\$ 1,000
Database platforms			
Shared Collections	\$ 1,008	\$ 1,008	\$ 1,008
Shared eMaterials	\$ 2,520	\$ 2,016	\$ 2,520
Supplemental processing	\$ 350	\$ 350	\$ 350
Supplies	\$ 1,000	\$ 1,000	\$ 1,020
Software and licenses	\$ -	\$ -	\$ -
Total Materials	\$ 32,258	\$ 31,754	\$ 32,947

3.5% increase

Rotating large print and ematerials

Technical Support	\$ 5,511	\$ 5,511	\$ 5,511
Technical Services Total:	\$ 5,511	\$ 5,511	\$ 5,511

Delivery

Operating	320	320	320
Capital	400	400	400
Delivery Total:	720	720	720

Branch TOTAL	\$ 184,646	\$ 195,142	\$ 197,945
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Total with City COVID19 Fund Balance Offset

City Levy Request	\$ 18,725	\$ 19,300	\$ 19,879
City ARR Reserve	\$ 406	\$ 406	\$ 406

held to 3% levy

County Levy Requirement	\$ 163,124	\$ 173,045	\$ 178,236
Additional Contributing Revenue			

0 (\$ 2,797) 0 (\$ 2,797) 0 From RLTA reserve

6c Administration Building Security

Action Requested: Approval of CCTV camera system and key card entry security system.

Background Information: At a fall Board meeting, the Director brought forward a proposal from People's Security (they currently handle security in administration using keys and keypad access) for a CCTV security system. At that time, the director was asked by the Board to bring in a second proposal, which did not happen. Since that time there have been security concerns coming from administrative staff and therefore the need for the administration building to utilize current technology which would secure the building.

As People's Security Company (Honeywell security dealer) is our current vendor, I contacted Trevor Wangsness, Technical Supervisor, to give us a quote to electronically secure this building with key cards and cameras, which would eliminate the need for keys (which can be duplicated) and provide a more secure environment.

A hard copy of the proposal will be in the binders for the meeting and will be sent electronically when received.

MOTION MADE BY: _____

SECONDED BY: _____

ROLL CALL VOTE: _____ YES _____ NO

7a Pine River State Bank Authorization

Action Request: Approve Pine River State Bank authorization changes for the following KRLS Board members and KRLS staff (bank requires individual names, signatures, and photo ID).

Background Information: Bank Authorization was approved at the March 19, 2026, meeting, but personnel changes have made an update necessary. This updated name list, along with Board approval, will be delivered promptly to the bank.

Accounts: Checking 4216, Savings 3469, Savings Plus 2620, Carefree Public 1821

Board members with current approval: Tom Krueger, Murlyn Kreklau

Staff members with current approval: Svetlana Lang

Add the following names: Lynn Eaton, KRLS Board Treasurer
Valerie Squires, Bookkeeper
Melissa Brechon, Interim Regional Director

Remove the following names: Brent Norman
Melissa Whatley
George Deiss

MOTION MADE BY: _____

SECOND BY: _____

ROLL CALL VOTE: _____ YES _____ NO

7b 2027 Regional Library Basic System Support Application (RLBSS)

Action Request: Approval of 2027 RLBSS Application

Background Information: The Regional Library Basic System Support program is a Minnesota state funding initiative designed to support regional public library systems-multicounty service agencies that provide free, equitable library services to all residents of their region. These systems are organized under State Statute sections 134.317 or 471.59 and operate through joint powers agreements between cities and counties.

KRLS allocation for 2027 is \$44,861, less than in 2026.

MOTION MADE BY: _____

SECOND BY: _____

ROLL CALL VOTE: _____ YES _____ NO



REGIONAL LIBRARY BASIC SYSTEM SUPPORT (RLBSS)

FY 2027 (July 1, 2026 – June 30, 2027) Application

A. Applicant Information

1. Regional public library system name and address:

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

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

Melissa Brechon, Interim Director
Phone: 218-587-2171 x 222
Fax: 218-587-4855
brechonm@krls.org

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

College of St. Catherine, BA 1977, Rosary College (Dominican University & University of St. Catherine), MLIS 1996; 47 years of experience working in public libraries in MN, 21 years' experience as public library consultant.

4. Number of FTE staff paid with RLBSS funds: 9.125

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 the most recent strategic plan.

KRLS Strategic Plan (2021-2025) is included.

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 FY2027 in a few sentences:

Briefly describe the programs that will take place during FY2027, 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. KRLS will continue to provide centralized services and support activities necessary to the operations of a consolidated regional public library system. These include 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. KRLS will continue to assess and improve the technology hardware structure in the region for continued security and accessibility of essential systems. Implementing updates and upgrading current technology equipment and internal security procedures will enable the region, its staff, and patrons to access and utilize the technology necessary for our region more effectively.
 3. KRLS will continue to assess outreach services for the region including within branch communities and bookmobile/outreach communities to ensure the best access to library service in our expansive region. KRLS will continue to expand the offerings at rural locations through community partnerships (food banks, businesses, city and county) and maintain a presence at public events (community and county fairs, etc.)
 4. KRLS will move forward with hiring an Executive Director, Technology Manager and HR/Finance director in order stabilize and strengthen this region. This will include conducting ongoing staff development and training programs, restoring public resources to the branches and reviewing/rewriting (as needed) all personnel/Board/System policies and procedures to strengthen KRLS's standing within the region.

8. List local governmental units (cities and counties with branch or member libraries) participating in the region as of June 30, 2026, **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	\$265,162
City of Bemidji	154,250
City of Blackduck	20,995
Cass County	490,909
City of Cass Lake	10,335
City of Longville	12,625
City of Pine River	15,725
City of Walker	19,300
Crow Wing County	524,400
City of Brainerd	82,712
Hubbard County	271,412
City of Park Rapids	55,625
Wadena County	146,172
City of Wadena	95,000

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:

Beltrami County reduced its 2026 levy to MOE amount which cut \$185,598 in funding, laying off 2 staff members and closing Bemidji Library on Monday and Saturday.

The Blackduck Community Library had a one-hour reduction in open hours and reduction of FTE to .975.

Bemidji and Blackduck Libraries in Beltrami County had cuts in materials, training, and sub budgets.

Effective January 2026.

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:

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.

12. Minnesota Statutes 2025 134.51 Subd. 5 requires that all public libraries must adopt a library materials policy. Please confirm that all libraries in the applicant system have adopted a library materials policy. If there is a library that has not adopted a library materials policy, please list them below and any relevant information about their efforts toward adopting a library materials policy.

See Attachment

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 Krueger**
Chair, System Governing Board

Date: 6-18-2026

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 Brechon**
Regional Public Library System Administrator

Date: 6-18-2026

D. Attachments and Due Date

- FY 2027 Proposed Budget (required): Please indicate how you plan to spend state aid dollars.
- Strategic Plan Document (required)
- Organizational Agreements (as needed)
- Previous year's completed audit (required)

Applications are due **Tuesday, June 30, 2026**. Please submit one PDF of the signed original application to emma.devera@state.mn.us

7c Bookkeeping/Payroll Outsourcing Quotes -handed out at meeting

Action Requested: Approval of a contract with a payroll outsourcing company to take over our Bookkeeping/Payroll for one year.

Background Information: The posting for the HR/Financial Manager was posted in early May in both the local newspapers and on a statewide library hiring site. During that time, no applications have been received in administration. For this reason and due to a timing issue with the interim bookkeeper (leaving at the end of July) it is necessary to investigate outsourcing payroll services (HR outsourcing is less time sensitive). A year contract with oversight would help our payroll system move to electronic timecards and eliminate a personnel problem issue for the new director.

Two companies will respond to this request:

1. Your Financial Solutions
2. ABDO Solutions - This company offers both HR and payroll services

Due to the timing, the quotes will not be available until the Board meeting. (If they arrive before the meeting day, they will be sent electronically.

MOTION MADE BY: _____

SECONDED BY: _____

ROLL CALL VOTE: _____ YES _____ NO

July 6, 2026

FUND	Deerwood Checking BEGINNING BALANCE	Bill Report through 7/6/2026	Deerwood Checking ENDING BALANCE	Deerwood First Preferred Savings BEGINNING BALANCE	Deerwood First Preferred Savings 7/6/2026	Deerwood First Preferred Savings ENDING BALANCE	Total Balance of all Accounts
GENERAL (001)	\$144,293.79	\$14,608.40	\$129,685.39	\$112,004.47	\$0.00	\$112,004.47	\$0.00
POLICE RESTRICTED CASH (001)	\$23,308.21	\$0.00	\$23,308.21	\$0.00	\$0.00	\$0.00	\$0.00
CEMETERY (001)	(\$2,664.74)	\$0.00	(\$2,664.74)	\$10,151.43	\$0.00	\$10,151.43	\$0.00
PERPETUAL CARE (02)	\$2,966.23	\$0.00	\$2,966.23	\$53,418.01	\$0.00	\$53,418.01	\$0.00
SEWER MAINTENANCE (04)	\$0.00	\$0.00	\$0.00	\$68,299.00	\$0.00	\$68,299.00	\$0.00
SEWER REPLACEMENT (05)	\$0.00	\$0.00	\$0.00	\$286,534.25	\$0.00	\$286,534.25	\$0.00
SCDP REVOLVING LOAN FUND (07)	\$0.00	\$0.00	\$0.00	\$40,611.04	\$0.00	\$40,611.04	\$0.00
FIRE DEPT RESERVE (Truck fund) (08)	\$0.00	\$0.00	\$0.00	\$63,299.08	\$0.00	\$63,299.08	\$0.00
PINE TREE PARK (09)	\$25,533.33	\$67.14	\$24,761.19	\$15,615.34	\$0.00	\$15,615.34	\$0.00
WATER SINKING FUND (212)	\$0.00	\$0.00	\$0.00	\$229,646.24	\$0.00	\$229,646.24	\$0.00
PUBLIC WORKS RESERVE FUND (215)	\$0.00	\$0.00	\$0.00	\$1,686.46	\$0.00	\$1,686.46	\$0.00
Fire Dept Special Equip Fund (216)	\$152,587.01	\$0.00	\$152,587.01	\$5,315.47	\$0.00	\$5,315.47	\$0.00
2018 Revolving Loan Fund (250)	(\$195.00)	\$0.00	(\$195.00)	\$350,628.88	\$0.00	\$350,628.88	\$0.00
1989 Go Bond (301)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2006 GO BOND (307)	(\$277.60)	\$0.00	(\$277.60)	\$0.00	\$0.00	\$0.00	\$0.00
2009A Refunding Bond (309)	\$384.96	\$0.00	\$384.96	\$0.00	\$0.00	\$0.00	\$0.00
2014A Disposal System Debt Service Fund (314)	\$26,540.74	\$0.00	\$26,540.74	\$0.00	\$0.00	\$0.00	\$0.00
2017A Disposal System Debt Service Fund (317)	\$6,768.61	\$0.00	\$6,768.61	\$0.00	\$0.00	\$0.00	\$0.00
USDA Solid Steer Debt Service Fund (318)	(\$3,406.00)	\$0.00	(\$3,406.00)	\$0.00	\$0.00	\$0.00	\$0.00
2017 PFA Debt System Debt Service Fund (320)	\$86,877.40	\$0.00	\$86,877.40	\$0.00	\$0.00	\$0.00	\$0.00
2018 Frontage/Pine Ave Internal Loan (325)	\$8,130.12	\$0.00	\$8,130.12	\$0.00	\$0.00	\$0.00	\$0.00
2024A Gen. Obligation Equipment Project fund (330)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2024A Gen. Obligation Equipment Debt Fund Public Works(331)	(\$22,277.09)	\$3,912.33	(\$26,189.42)	\$14,948.72	\$0.00	\$14,948.72	\$0.00
2025A Gen. Obligation Equipment Project Fund (340) Fire	\$14,948.72	\$0.00	\$14,948.72	\$0.00	\$0.00	\$0.00	\$0.00
2025A Gen. Obligation Equipment Debt Fund (341) Fire	\$8,353.53	\$8,167.50	\$186.03	\$0.00	\$0.00	\$0.00	\$0.00
TAX INCREMENT FINANCING (370)	\$40,130.57	\$0.00	\$40,130.57	\$133,267.20	\$0.00	\$133,267.20	\$0.00
Blackhawk HRA Fund (210)	\$34,315.83	\$0.00	\$34,315.83	\$0.00	\$0.00	\$0.00	\$0.00
2023A Gen. Obligation Debt fund PW/PS Facility (381)	\$2,684.38	\$0.00	\$2,684.38	\$0.00	\$0.00	\$0.00	\$0.00
2023B Gen. Obligation Debt Fund PW/PS Facility (382)	\$499.32	\$0.00	\$499.32	\$0.00	\$0.00	\$0.00	\$0.00
Capital Project Fund (401)	\$14,697.25	\$0.00	\$14,697.25	\$0.00	\$0.00	\$0.00	\$0.00
KRSL Library Renovation Project (530) - new	\$53,704.36	\$255.70	\$53,448.66	\$0.00	\$0.00	\$0.00	\$0.00
WATER FUND (601)	(\$35,783.85)	\$7,578.28	(\$43,362.13)	\$26,879.17	\$0.00	\$26,879.17	\$0.00
SEWER FUND (602)	\$43,016.07	\$16,136.90	\$59,152.97	\$0.00	\$0.00	\$0.00	\$0.00
LIQUOR FUND (609)	\$154,880.38	\$90,022.61	\$64,857.77	\$0.00	\$0.00	\$0.00	\$0.00
LIQUOR RENT RESTRICTED FUND (609)	\$39,138.77	\$0.00	\$39,138.77	\$0.00	\$0.00	\$0.00	\$0.00
GOLF COURSE FUND (615)	\$31,654.76	\$17,471.25	\$14,183.51	\$0.00	\$0.00	\$0.00	\$0.00
Total:	\$850,630.06	\$158,790.11	\$691,839.95	\$1,410,986.87	\$0.00	\$1,410,986.87	\$2,102,826.82

Fund Transfer from:	Fund transfer to:	Reason:	Amount of Transfer:	YTD Total
Liquor Fund Checking (609)	General Fund Checking (101)	Budgeted Transfer	\$10,000.00	\$40,000.00

2026 Bond Payments:	Principal:	Interest:	Fees:	Total:
2024 Go Equipment Certificate Public Works (331)	\$0.00	\$3,912.33	\$0.00	\$3,912.33
2021 General Obligation Abatement Bond Liquor Store (609)	\$0.00	\$4,760.00	\$0.00	\$4,760.00
2012 General Obligation Bond Water Tower (601)	\$0.00	\$6,018.75	\$475.00	\$6,493.75
2025 Go Equipment Certificate Fire Truck (341)	\$0.00	\$8,167.50	\$0.00	\$8,167.50

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Monthly Bills

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June 2026

Check Name	Amount		
101 GENERAL FUND		Marco Technologies LLC	\$98.25
Marco Technologies LLC	\$537.02	ABSOLUTE ICE	\$1,138.50
BELTRAMI ELECTRIC COOP	\$2,828.49	Artisan Beer Company	\$578.00
BESSLER BROTHERS ELECTRIC, LLC	\$2,141.76	BELTRAMI ELECTRIC COOP	\$2,035.97
BLACKDUCK AUTO PARTS, INC	\$2,204.18	BEMIDJI COCA-COLA	\$673.40
BRIAN LARSON	\$144.55	BEMIDJI PAPER	\$210.95
FRONTIER REPAIR	\$470.09	BERNATELLOS	\$336.00
Great Plains Fire	\$1,443.31	Bernick Companies	\$13,955.38
PAUL BUNYAN COMMUNICATIONS	\$1,097.05	BOBS ECONO PUMP INC	\$240.00
PINNACLE MARKETING GROUP	\$79.00	Breakthru Beverage	\$2,746.35
QUILL CORPERATION	\$542.91	CHARLIE WARD	\$120.00
RATWIK, ROSZAK & MALONEY, P.A.	\$820.00	D-S BEVERAGES, INC.	\$17,765.42
TIMBERLINE SPORTS, INC	\$117.92	EHLERS AND ASSOCIATES	\$4,760.00
UNITED STATES POST OFFICE	\$162.00	FORESTEDGE WINERY	\$276.00
VESTIS	\$50.42	GUARDIAN PEST CONTROL	\$92.11
WIDSETH	\$1,969.70	HEGGIES PIZZA LLC	\$191.90
101 GENERAL FUND	<u>\$14,608.40</u>	JOHNSON BROTHERS LIQUOR CO.	\$2,660.92
209 PINE TREE PARK FUND		JONS REFUSE SOLUTIONS INC	\$444.22
BELTRAMI ELECTRIC COOP	\$350.92	LAKE OF THE WOODS PIZZA COMPANY	\$780.00
JONS REFUSE SOLUTIONS INC	\$286.22	MELISSAS CLEANING	\$1,419.00
209 PINE TREE PARK FUND	<u>\$637.14</u>	MIKINNON CO., INC	\$14,342.35
331 2024A GENERAL OBLIG EQUIP DEBT		NEI BOTTLING INC	\$1,412.49
HUNTINGTON NATIONAL BANK	\$3,912.33	OLD DUTCH	\$549.72
331 2024A GENERAL OBLIG EQUIP	<u>\$3,912.33</u>	PAUL BUNYAN COMMUNICATIONS	\$414.72
341 2025A GEN OBLIG FIRE EQUIP DEBT		PERFORMANCE FOOD SERVICE	\$8,299.88
CITIZENS STATE BANK OF ROSEAU	\$8,167.50	Phillips Wine and Spirits	\$5,991.96
341 2025A GEN OBLIG FIRE EQUIP	<u>\$8,167.50</u>	PINNACLE MARKETING GROUP	\$79.00
550 KRLS LIBRARY RENOV PROJECT		QUILL CORPERATION	\$320.98
BESSLER BROTHERS ELECTRIC, LLC	\$255.70	Southern Glazer's of MN	\$4,418.02
550 KRLS LIBRARY RENOV PROJEC	<u>\$255.70</u>	TOTAL TAP SERVICES	\$85.00
601 WATER FUND		US FOODS	\$3,586.12
BELTRAMI ELECTRIC COOP	\$997.34	609 MUNICIPAL LIQUOR FUND	<u>\$90,022.61</u>
EHLERS AND ASSOCIATES	\$6,493.75	613 GOLF COURSE	
Gopher State One Call	\$9.45	ABSOLUTE ICE	\$179.20
PAUL BUNYAN COMMUNICATIONS	\$77.74	BELTRAMI ELECTRIC COOP	\$571.76
601 WATER FUND	<u>\$7,578.28</u>	BEMIDJI COCA-COLA	\$753.00
602 SEWER FUND		Bernick Companies	\$365.90
BELTRAMI ELECTRIC COOP	\$4,586.90	BLACKDUCK AUTO PARTS, INC	\$170.30
WIDSETH	\$11,550.00	D-S BEVERAGES, INC.	\$2,006.20
602 SEWER FUND	<u>\$16,136.90</u>	FRONTIER ELECTRIC OF BEMIDJI	\$2,874.60
609 MUNICIPAL LIQUOR FUND		FRONTIER REPAIR	\$1,707.54
		GIOVANNIS FROZEN PIZZA	\$588.80
		HUNTINGTON NATIONAL BANK	\$2,445.00

Check Name	Amount
JONS REFUSE SOLUTIONS INC	\$136.75
LAKESHIRTS ZEPHYR LLC	\$877.32
LOSSING EXCAVATING	\$1,980.00
MIKINNON CO., INC	\$597.20
NEI BOTTLING INC	\$825.44
PAUL BUNYAN COMMUNICATIONS	\$132.64
PERFORMANCE FOOD SERVICE	\$682.81
PINNACLE MARKETING GROUP	\$79.00
TRUE NORTH EQUIPMENT	\$177.05
VERSATILE VEHICLES, INC	\$294.32
VON HANSON'S SNACKS INC.	\$26.42
613 GOLF COURSE	\$17,471.25
	\$158,790.11



CITY OF BLACKDUCK

Payments

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Current Period: June 2026

Payments Batch CASHWA060426

\$6,792.66

Refer	63	CASH-WA DISTRIBUTING CO OF F	Ck# 005102E 6/4/2026		
Cash Payment	E 609-49750-260	Food for Resale	THE POND REF:430135701		\$1,042.96
Invoice	4606066	5/26/2026			
Cash Payment	E 609-49750-333	Freight and Express	THE POND REF:430135701		\$11.30
Invoice	4606066	5/26/2026			
Transaction Date	6/4/2026	DW Checking	10100	Total	\$1,054.26
Refer	64	CASH-WA DISTRIBUTING CO OF F	Ck# 005126E 7/1/2026		
Cash Payment	E 609-49750-260	Food for Resale	THE POND REF:429552239		\$729.90
Invoice	4605346	5/22/2026			
Cash Payment	E 609-49750-333	Freight and Express	THE POND REF:429552239		\$11.30
Invoice	4605346	5/22/2026			
Transaction Date	6/4/2026	DW Checking	10100	Total	\$741.20
Refer	109	CASH-WA DISTRIBUTING CO OF F	Ck# 005127E 7/1/2026		
Cash Payment	E 609-49750-260	Food for Resale	THE POND REF:430706102		\$737.83
Invoice	4607549	5/29/2026			
Cash Payment	E 609-49750-333	Freight and Express	THE POND REF:430706102		\$11.30
Invoice	4607549	5/29/2026			
Transaction Date	6/5/2026	DW Checking	10100	Total	\$749.13
Refer	144	CASH-WA DISTRIBUTING CO OF F	Ck# 005128E 7/1/2026		
Cash Payment	E 609-49750-260	Food for Resale	THE POND REF # 431180608		\$734.74
Invoice	4608410	6/8/2026			
Cash Payment	E 609-49750-333	Freight and Express	THE POND REF # 431180608		\$13.10
Invoice	4608410	6/8/2026			
Transaction Date	6/9/2026	DW Checking	10100	Total	\$747.84
Refer	29	CASH-WA DISTRIBUTING CO OF F	Ck# 005129E 7/1/2026		
Cash Payment	E 609-49750-260	Food for Resale	THE POND		\$872.50
Invoice	4609855	6/12/2026			
Cash Payment	E 609-49750-260	Food for Resale	THE POND		-\$20.93
Invoice	4609855	6/12/2026			
Cash Payment	E 609-49750-333	Freight and Express	THE POND		\$13.10
Invoice	4609855	6/12/2026			
Transaction Date	6/12/2026	DW Checking	10100	Total	\$864.67
Refer	122	CASH-WA DISTRIBUTING CO OF F	Ck# 005130E 7/1/2026		
Cash Payment	E 609-49750-260	Food for Resale	THE POND REF# 433116795		\$1,027.71
Invoice	4614449	6/26/2026			
Cash Payment	E 609-49750-333	Freight and Express	THE POND REF# 433116795		\$13.10
Invoice	4614449	6/26/2026			
Transaction Date	6/29/2026	DW Checking	10100	Total	\$1,040.81
Refer	123	CASH-WA DISTRIBUTING CO OF F	Ck# 005131E 7/1/2026		
Cash Payment	E 609-49750-260	Food for Resale	THE POND REF# 432405823		\$1,581.65
Invoice	4612043	6/19/2026			
Cash Payment	E 609-49750-333	Freight and Express	THE POND REF# 432405823		\$13.10
Invoice	4612043	6/19/2026			
Transaction Date	6/29/2026	DW Checking	10100	Total	\$1,594.75



CITY OF BLACKDUCK

Payments

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Current Period: June 2026

Fund Summary

	10100 DW Checking
609 MUNICIPAL LIQUOR FUND	\$6,792.66
	<u>\$6,792.66</u>

Pre-Written Checks	\$6,792.66
Checks to be Generated by the Computer	\$0.00
Total	<u>\$6,792.66</u>

Sewer Fund
Year to Date Income Statement thru 06/30/2026

Sewer Operating Revenue:		Budget
Reimbursements	\$0.00	\$0.00
Interest Earnings	\$504.51	\$750.00
Sewer Sales	\$100,922.76	\$262,172.36
Farm Lease Agreement Revenue	\$3,079.00	\$6,098.00
Swr Penalty	\$729.05	\$1,500.00
Transfer from Money Market - ARPA Funds	\$0.00	\$0.00
Sewer Connet/Reconnect	\$0.00	\$0.00
Charges for Service	\$4,425.00	\$5,000.00
Total Sewer Revenues	\$109,660.32	\$275,520.36

Sewer Operating Expenditures:		Budget	Remaining
Full-Time Employees Regular	\$40,908.77	\$79,090.68	\$38,181.91
Full-time Employee overtime	\$3,399.46	\$6,000.00	\$2,600.54
Part-Time Employees	\$305.22	\$1,373.10	\$1,067.88
Employer CPF Contribution - Union Contract	\$1,208.06	\$2,100.80	\$892.74
PERA	\$3,323.13	\$6,034.78	\$2,711.65
FICA	\$3,311.03	\$6,155.48	\$2,844.45
Employer Paid Health	\$7,282.71	\$14,433.16	\$7,150.45
MN Paid Leave	\$392.49	\$708.08	\$315.59
Office Supplies (GENERAL)	\$0.00	\$400.00	\$400.00
Heating Fuel	\$0.00	\$1,000.00	\$1,000.00
Electricity	\$14,593.69	\$21,000.00	\$6,406.31
Training and Instruction	\$0.00	\$1,000.00	\$1,000.00
Operating Supplies (GENERAL)	\$89.51	\$1,000.00	\$910.49
Motor Fuels	\$0.00	\$2,000.00	\$2,000.00
Lubricants and Additives	\$0.00	\$500.00	\$500.00
Repairs/Maint Supply	\$391.87	\$1,500.00	\$1,108.13
Equipment Parts	\$0.00	\$0.00	\$0.00
Computer Supplies	\$0.00	\$0.00	\$0.00
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 Ace't	\$3,500.00	\$3,500.00	\$0.00
Architect Fees	\$0.00	\$0.00	\$0.00
Legal Fees - for project	\$0.00	\$100.00	\$100.00
Testing/Analysis	\$618.41	\$1,700.00	\$1,081.59
Other Professional Services	\$750.00	\$4,000.00	\$3,250.00
Engineering Services -	\$21,500.00	\$0.00	(\$21,500.00)
Telephone	\$0.00	\$0.00	\$0.00
Postage	\$214.87	\$700.00	\$485.13
Travel Expense	\$0.00	\$1,000.00	\$1,000.00
Other Printing/Binding	\$0.00	\$0.00	\$0.00
Freight and Express	\$0.00	\$0.00	\$0.00
Legal Notices/Publications	\$0.00	\$0.00	\$0.00
General Liability Insurance	\$1,185.36	\$2,452.74	\$1,267.38
Property Insurance	\$2,598.00	\$5,834.22	\$3,236.22
Other Insurance	\$0.00	\$0.00	\$0.00
Automotive Insurance	\$0.00	\$0.00	\$0.00
Workers Compensation	\$1,127.68	\$2,555.30	\$1,427.62
Unemployment Paid	\$0.00	\$0.00	\$0.00
State Connection Fee	\$0.00	\$0.00	\$0.00
Repairs/Maint Building	\$0.00	\$125.00	\$125.00
Repairs/Maintenance Structure	\$992.09	\$10,000.00	\$9,007.91
Repairs/Main Machinery/Equip	\$0.00	\$4,500.00	\$4,500.00
Dues and Subscriptions	\$2,445.08	\$8,735.00	\$6,289.92
Buildings & Structures - <i>Liftstations</i>	\$0.00	\$0.00	\$0.00
Improvements other	\$0.00	\$0.00	\$0.00
Refuse/Garbage Dispsal -	\$150.00	\$0.00	(\$150.00)
Medical Fees	\$0.00	\$0.00	\$0.00
Miscellaneous -	\$0.00	\$0.00	\$0.00
Other Equipment <i>marco printer</i>	\$0.00	\$0.00	\$0.00
Total Sewer Expenditures	\$110,287.43	\$191,598.34	\$81,310.91

		Budget	Remaining
2023A Go Bond Principal	\$0.00	\$16,056.93	\$16,056.93
2023A Go Bond Interest	\$0.00	\$9,723.83	\$9,723.83
2023B Go Bond Principal	\$0.00	\$3,176.31	\$3,176.31
2023B Go Bond Interest	\$0.00	\$1,713.04	\$1,713.04
Depreciation/Capital Outlay	\$0.00	\$20,000.00	\$20,000.00
Total	\$0.00	\$50,670.11	\$50,670.11

Net Total **(\$627.11)** **\$242,268.45** **\$131,981.02**

Water Fund

Year to Date Income Statement thru 06/30/2026

Water Operating Revenue:		Budget:
Water Meter Sales	\$1,261.91	\$0.00
Health Dept Charges	\$41.77	\$4,687.76
Penalties and Interest	\$0.00	\$0.00
Water Sales	\$110,566.06	\$271,411.24
Water Connect/Reconnect Fee	\$25.00	\$800.00
Water Penalty	\$797.65	\$1,300.00
Interest Earnings	\$0.00	\$500.00
Reimbursements	\$9.46	\$0.00
Total Water Revenues	\$112,701.85	\$278,699.00

Water Operating Expenditures:	Year to Date	Budget	Remaining
Full-Time Employees Regular	\$39,257.79	\$75,986.12	\$36,728.33
Full-Time Employees OT	\$3,190.71	\$6,000.00	\$2,809.29
Part-Time Employees	\$305.22	\$1,373.10	\$1,067.88
Employer CPF Contribution - Union Contract	\$1,168.17	\$2,038.40	\$870.23
PERA	\$3,183.53	\$5,801.94	\$2,618.41
FICA	\$3,171.76	\$5,917.98	\$2,746.22
Employer Paid Health	\$7,039.60	\$13,996.96	\$6,957.36
MN Paid Leave	\$378.29	\$680.76	\$302.47

Office Supplies (GENERAL)	\$0.00	\$400.00	\$400.00
Printed Forms	\$0.00	\$0.00	\$0.00
Heating	\$0.00	\$1,000.00	\$1,000.00
Electricity	\$5,547.65	\$10,000.00	\$4,452.35
Computer Supplies	\$0.00	\$0.00	\$0.00
Training and Instruction	\$0.00	\$1,000.00	\$1,000.00
Operating Supplies (GENERAL)	\$16.54	\$2,600.00	\$2,583.46
Cleaning Supplies	\$0.00	\$0.00	\$0.00
Motor Fuels	\$0.00	\$1,500.00	\$1,500.00
Lubricants and Additives	\$0.00	\$0.00	\$0.00
Chemicals	\$0.00	\$0.00	\$0.00
Chlorine	\$3,518.42	\$7,000.00	\$3,481.58
Fluoride	\$0.00	\$1,300.00	\$1,300.00
Repairs/Maint Supply	\$1,261.91	\$1,100.00	(\$161.91)
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 Notices/Publications	\$0.00	\$0.00	\$0.00
Legal fees -	\$0.00	\$200.00	\$200.00
Testing/Analysis	\$20.00	\$0.00	(\$20.00)
Professional Services	\$0.00	\$0.00	\$0.00
Other Professional Services	\$0.00	\$1,000.00	\$1,000.00
Engineering Services - PER/ER	\$0.00	\$0.00	\$0.00
Telephone	\$213.80	\$917.00	\$703.20
Radio/communications Expense	\$219.80	\$480.00	\$260.20
Internet	\$252.00	\$504.00	\$252.00
Postage	\$214.88	\$900.00	\$685.12
Travel Expense	\$0.00	\$1,000.00	\$1,000.00
Other Equipment Rentals	\$0.00	\$0.00	\$0.00
Legal Notices/Publications	\$0.00	\$0.00	\$0.00
General Liability Insurance	\$278.18	\$792.53	\$514.35
Property Insurance	\$2,703.00	\$7,013.91	\$4,310.91
Workers Compensation	\$1,227.07	\$3,453.92	\$2,226.85
Unemployment Paid	\$0.00	\$0.00	\$0.00
Refuse/Garbage Disposal	\$320.00	\$350.00	\$30.00
State Connection Fee	\$2,366.00	\$4,688.00	\$2,322.00
Repairs/Maint Building -	\$0.00	\$0.00	\$0.00
Repairs/Maintenance Structure	\$59.13	\$12,000.00	\$11,940.87
Repairs/Maintenance Machinery	\$782.73	\$2,500.00	\$1,717.27
Dues and Subscriptions	\$1,582.13	\$4,000.00	\$2,417.87
Uncollectable Checks/Bad Debt	\$1,054.70	\$150.00	(\$904.70)
Medical Fees	\$0.00	\$0.00	\$0.00
Office Equipment and furniture	\$0.00	\$0.00	\$0.00
Other Equipment	\$0.00	\$0.00	\$0.00
Miscellaneous -	\$0.00	\$0.00	\$0.00
Cash Short	\$0.00	\$0.00	\$0.00
Bank Service Charges	\$0.00	\$150.00	\$150.00
Total Water Expenditures	\$82,833.01	\$182,544.62	\$99,711.61

Other Water Expenditures:	Budget	Remaining
Transfer Fr Other Fund	\$0.00	\$0.00
2023A Go bond principal	\$0.00	\$3,211.39
2023A Go Bond Interest	\$0.00	\$1,944.70
2023B Go Bond Principal	\$0.00	\$635.26
2023B Go Bond Interest	\$0.00	\$342.61
Debt Service Bond Principal	\$50,000.00	\$50,000.00
Debt Service Bond Interest	\$12,562.50	\$12,562.50
Depreciation/Capital Outlay	\$0.00	\$13,000.00
Total	\$62,562.50	\$81,696.46

Net Total	(\$32,693.66)	\$264,241.08	\$113,689.48
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Pine Tree Park
Year to Date Income Statement thru 06/30/2026

PTP Revenues -	2026	2025	2026 budget
Reservation Fees	\$355.00	\$314.00	\$750.00
Grants	\$0.00	\$11,000.00	\$11,000.00
Camping Fees	\$14,350.20	\$12,665.75	\$24,000.00
Other Revenue	\$0.00	\$0.00	\$0.00
Transfer from Golf Course - mower	\$0.00	\$0.00	\$0.00
Interest Earnings	\$497.02	\$440.98	\$300.00
Total PTP Revenues	\$15,202.22	\$24,420.73	\$36,050.00

PTP Expenditures	2026 YTD	2025 YTD	2026 Budget	Remaining
Full-Time Employees Regular	\$2,399.95	\$2,322.90	\$5,609.69	\$3,209.74
Full-time Employee Overtime	\$18.00	\$283.82	\$500.00	\$482.00
Part-Time Employees Regular	\$1,910.54	\$1,106.15	\$3,432.75	\$1,522.21
Employer CPF Contribution	\$80.22	\$76.69	\$145.60	\$65.38
PERA	\$280.06	\$190.14	\$678.18	\$398.12
FICA	\$338.64	\$279.53	\$691.75	\$353.11
Employer Paid Health	\$510.28	\$451.59	\$997.35	\$487.07
MN Paid Leave	\$39.60	\$0.00	\$79.57	\$39.97
Office Supplies	\$0.00	\$0.00	\$0.00	\$0.00
Electricity	\$1,206.80	\$756.61	\$3,000.00	\$1,793.20
Operating Supplies (GENERAL)	\$453.07	\$235.70	\$700.00	\$246.93
Cleaning Supplies	\$4.79	\$11.99	\$200.00	\$195.21
Motor Fuels	\$0.00	\$0.00	\$1,400.00	\$1,400.00
Repairs/Maint Supply	\$136.62	\$0.00	\$850.00	\$713.38
Equipment Parts	\$307.54	\$0.00	\$300.00	(\$7.54)
Other Professional Services	\$300.00	\$300.00	\$1,750.00	\$1,450.00
Postage	\$0.00	\$0.00	\$0.00	\$0.00
Advertising	\$0.00	\$0.00	\$0.00	\$0.00
Other Printing/Binding	\$0.00	\$0.00	\$250.00	\$250.00
General Liability Insurance	\$556.36	\$548.64	\$1,174.09	\$617.73
Property Insurance	\$1,067.50	\$1,141.50	\$2,397.15	\$1,329.65
Workers Compensation Insurance	\$0.00	\$0.00	\$0.00	\$0.00
Garbage	\$1,045.26	\$701.55	\$2,500.00	\$1,454.74
Repairs/Maint Building	\$555.99	\$60.42	\$2,500.00	\$1,944.01
Repairs/Maintenance Structure	\$0.00	\$0.00	\$0.00	\$0.00
Improvements Other <i>Gutters Beach Pav</i>	\$2,207.00	\$0.00	\$0.00	(\$2,207.00)
Repairs/Maintenance Machinery	\$273.14	\$328.06	\$1,500.00	\$1,226.86
Other Equipment - <i>new mower</i>	\$0.00	\$0.00	\$0.00	\$0.00
Depreciation	\$0.00	\$0.00	\$5,000.00	\$5,000.00
Miscellaneous -	\$0.00	\$0.00	\$0.00	\$0.00
Portable Restrooms	\$0.00	\$0.00	\$0.00	\$0.00
Dues and Subscriptions - includes refunds	\$490.00	\$125.00	\$375.00	(\$115.00)
Total PTP Expenditures	\$14,181.36	\$8,920.29	\$36,031.13	\$21,849.77
Net Profit	\$1,020.86	\$15,500.44		

Lakeview Cemetery
Year to Date Income Statement thru 06/30/2026

Cemetery Revenue	2026	2025	2026 Budget
Cemetery Lot Revenues	\$1,000.00	\$0.00	\$0.00
Other Revenue	\$0.00	\$0.00	\$0.00
Interest Earnings	\$1,034.69	\$1,126.00	\$400.00
Transfer from General Fund	\$0.00	\$0.00	\$2,000.00
Transfer from Perpetual Fund	\$0.00	\$0.00	\$0.00
Transfer from Liquor Fund	\$0.00	\$0.00	\$500.00
Total PTP Revenues	\$2,034.69	\$1,126.00	\$2,900.00
Cemetery Expenditures	2026 YTD	2025 YTD	2026 Budget Remaining
Operating Supplies (GENERAL)	\$0.00	\$0.00	\$0.00
<i>Prior Payroll Liability</i>	\$59.44	\$3,915.51	(\$59.44)
Motor Fuels	\$0.00	\$0.00	\$1,000.00
Other Professional Services	\$550.00	\$375.00	\$500.00
Postage	\$0.00	\$0.00	\$0.00
General Liability Insurance	\$69.51	\$68.58	\$146.76
Property Insurance	\$76.50	\$82.50	\$173.25
Workers Compensation Insurance	\$0.00	\$368.31	\$405.14
Total Cemetery Expenditures	\$755.45	\$4,809.90	\$2,225.15
			\$1,469.70
Net Profit	\$1,279.24	(\$3,683.90)	

Blackduck Municipal Golf Course
Year-To-Date Income Statement - 06/30/2026

	Actual 2026 Sales	2026 Revenue Budget	2026 Cost of Goods	2026 Gross Profit	2026 Gross Margin	2026 Expense Budget	Remaining Expense Budget
Beer	\$6,292.40	\$18,000.00	\$6,410.05	(\$117.65)	-1.87%	\$10,000.00	\$3,589.95
Liquor	\$4,576.32	\$5,000.00	\$772.35	\$3,803.97	83.12%	\$1,000.00	\$227.65
Soft Drinks	\$5,251.40	\$10,000.00	\$4,122.34	\$1,129.06	21.50%	\$8,000.00	\$3,877.66
Food	\$4,783.82	\$10,000.00	\$3,974.85	\$808.97	16.91%	\$8,000.00	\$4,025.15
Golf Merchandise & Clubs for Sale	\$2,508.56	\$5,000.00	\$4,358.96	(\$1,850.40)	-73.76%	\$3,600.00	(\$758.96)
Clothing	\$4,472.30	\$4,000.00	\$4,486.60	(\$14.30)	-0.32%	\$4,000.00	(\$486.60)
Total	\$27,884.80	\$52,000.00	\$24,125.15	\$3,759.65	13.48%	\$34,600.00	\$10,474.85

Charges for Services	Actual 2026 Revenue	Revenue Budget
Green Fees	\$41,768.61	\$100,000.00
Membership Fees	\$44,995.68	\$40,000.00
Trail Fees	\$913.74	\$1,000.00
Cart Storage	\$2,700.00	\$1,251.00
Rentals (Clubs, Carts)	\$1,481.23	\$1,750.00
Power Carts	\$36,819.76	\$55,000.00
Clubhouse Rental	\$600.00	\$1,500.00
Kayak Rental	\$18.52	\$0.00
Golf Tournament Revenue	\$6,442.75	\$10,000.00
Total Charges for Services	\$135,740.29	\$210,501.00

Total Income \$163,625.09

Less Operating Expense	2026 Budget	Remaining
FT Wages	\$17,222.06	\$34,855.97
PT Wages	\$21,034.79	\$76,436.23
PERA	\$1,866.47	\$8,301.25
FICA	\$2,934.25	\$8,513.85
Employer Paid Health	\$7,054.20	\$14,108.40
MN Paid Leave	\$338.37	\$979.37
Office Supplies	\$0.00	\$0.00
Heating Fuel	\$0.00	\$0.00
Electricity	\$3,007.18	\$7,000.00
Computer Supplies	\$0.00	\$0.00
Training & Instructions	\$0.00	\$0.00
Operating Supplies	\$2,327.92	\$6,500.00
Cleaning Supplies	\$0.00	\$0.00
Motor Fuels	\$2,404.48	\$4,000.00
Lubricants / Additives	\$0.00	\$0.00
Chemicals	\$488.00	\$8,000.00
Repair/ Maint/ Supplies	\$0.00	\$0.00
Equipment parts	\$0.00	\$0.00
Building Repair supply	\$0.00	\$0.00
Small Tools/Equipment	\$0.00	\$1,000.00
Tires	\$0.00	\$0.00
Auditing/Accounting	\$0.00	\$0.00
Mix Expense	\$0.00	\$0.00
Other for Resale - ice	\$0.00	\$0.00
Medical Fees	\$0.00	\$0.00
Legal Fees	\$0.00	\$0.00
Telephone	\$574.87	\$1,200.00
Internet	\$420.00	\$600.00
Travel Expense	\$0.00	\$0.00
Other Equipment	\$0.00	\$0.00
Other Professional services	\$0.00	\$0.00
Website Development & Maintenance	\$474.00	\$948.00
Sponsorship Expense	\$47.41	\$1,000.00
Postage	\$0.00	\$0.00
Advertising	\$0.00	\$1,000.00
Promotional Expenses	\$4,627.56	\$2,500.00
Liability Insurance	\$2,016.81	\$4,256.07
Property Insurance	\$1,097.50	\$2,454.90
Work Comp	\$1,216.36	\$2,800.37
Unemployment	\$0.00	\$6,000.00
Dram Insurance	\$0.00	\$1,250.00
Garbage Disposal	\$545.30	\$1,300.00
Repair/Maint Building	\$0.00	\$1,500.00
Improvements other than Bldgs -	\$214.38	\$2,000.00
Repairs/Maint Machinery	\$7,415.41	\$11,000.00
Maintenance Course	\$2,113.56	\$5,000.00
Golf Cart Maintenance - ONLY	\$5,072.02	\$5,000.00
Furniture & Fixtures	\$0.00	\$0.00
Motor Vehicles - <i>golf cart purchase</i>	\$0.00	\$0.00
Club House renovations	\$0.00	\$0.00
Other Equipment	\$5,000.00	\$0.00
Uncollectable Checks	\$0.00	\$0.00
Dues and Subscriptions	\$1,648.23	\$2,500.00
Bank Service Charges	\$2,454.59	\$6,500.00
Cart Shed Internal Loan 2020	\$6,118.00	\$6,118.00
2021 Golf Cart Lease	\$7,335.00	\$7,335.00
Golf Rough Mower Internal Loan - 2022	\$1,825.37	\$3,650.74
Total Expense	\$108,894.09	\$245,608.15

OPERATING INCOME OR LOSS \$30,605.85

Other Expenses	
Misc. Expenses	\$0.00
Equipment - Gator	\$0.00
Gift Certificates / Discounts <i>discounts for punch cards & savings cards</i>	\$3,732.26
Cash Short -	\$102.16
Total Other Expenses	\$3,834.42

Other Income	
General Property taxes	\$0.00
Transfer Fr Lq Str	\$0.00
Reimbursements	\$94.00
Donations and Contributions	\$0.00
Promotional Event Revenue	\$0.00
Interest	\$150.70
Cash Over	\$89.48
Bank Card Charges for Service	\$1,481.82
Sponsorship Revenue <i>(cart / tee fees)</i>	\$7,500.00
Total Other Income	\$9,316.00

NET INCOME OR LOSS YEAR TO DATE \$36,087.43

Sales Comparison YTD	2023	2024	2025	2026	+/- over prior year
Green Fees	\$28,167.57	\$30,525.79	\$37,453.57	\$41,768.61	10.33%
Cart Rental	\$14,691.66	\$21,987.07	\$26,854.21	\$36,819.76	27.07%
YTD Comparisons:	2023	2024	2025	2026	+/- over prior year
Operating Revenue	\$119,778.68	\$134,443.49	\$140,285.49	\$172,941.09	18.88%
Operating Expense	\$126,824.64	\$177,236.16	\$149,085.14	\$136,853.66	-8.94%
	(\$7,045.96)	(\$42,792.67)	(\$8,799.65)	\$36,087.43	

Blackduck Municipal Liquor Store Income Statement
Year to Date Ending 6/30/2026

\$485,753.18 *(How much we paid for our inventory (expenses))*

	YTD Sales	Cost of Goods	Gross Profit	Gross Profit Margin	2026 Liquor Expense Budget	2026 Liquor Revenue Budget	Percent of sales +/- to budget
THC Edibles - Off-Sale	\$8,717.92	\$5,081.80	\$3,636.12	41.71%	\$18,696.00	\$28,572.00	-227.74%
THC Beverages - Off-Sale	\$8,798.27	\$5,490.43	\$3,307.84	37.60%	\$16,110.00	\$23,000.00	-161.42%
Liquor Sales Off-Sale	\$163,164.80	\$115,204.74	\$47,960.06	29.09%	\$246,275.00	\$339,300.00	-107.95%
Beer Sales Off-Sale	\$227,969.38	\$174,939.86	\$53,029.52	23.26%	\$437,350.00	\$537,700.00	-135.87%
Wine Sales Off-Sale	\$23,942.46	\$13,790.90	\$10,151.56	42.40%	\$28,300.00	\$47,047.00	-96.50%
Other Sales On/Off-Sale	\$7,705.08	\$7,553.06	\$152.02	1.97%	\$7,300.00	\$23,662.00	-207.10%
Liquor Sales On-Sale	\$61,224.08	\$11,915.32	\$49,308.76	80.54%	\$0.00	\$125,172.00	-104.45%
Beer Sales On-Sale	\$91,241.70	\$16,486.04	\$74,755.66	81.93%	\$0.00	\$173,851.00	-90.54%
Wine Sales On-Sale	\$1,095.03	\$410.84	\$684.19	62.48%	\$0.00	\$2,350.00	-114.61%
Clothing	\$1,586.29	\$1,129.12	\$457.17	28.82%	\$5,000.00	\$5,600.00	-253.02%
Soft Drinks On Sale	\$19,288.91	\$5,283.60	\$13,905.31	72.09%	\$15,851.00	\$33,876.00	-75.62%
Food Sales	\$233,660.48	\$115,675.10	\$117,985.38	50.49%	\$243,584.00	\$448,290.00	-91.86%
Total	\$848,394.40	\$473,560.81	\$374,833.59	44.18%	\$1,018,446.00	\$1,788,426.00	-22.86%

Cost of sale inventory

Less Operating Expense	2026 YTD	Budget	Remaining
Wages FT	\$114,097.13	\$249,820.90	\$135,723.77
PT Overtime	\$1,463.10	\$1,500.00	\$36.90
Wages PT	\$73,365.94	\$117,733.24	\$44,367.30
PERA	\$14,920.38	\$27,200.96	\$12,280.58
FICA	\$17,214.19	\$28,117.89	\$10,903.70
Health Insurance	\$28,448.34	\$56,916.96	\$28,468.62
MN Paid Leave	\$1,982.81	\$3,234.48	\$1,251.67
Office Supplies	\$0.00	\$0.00	\$0.00
Electricity	\$9,938.42	\$22,000.00	\$12,061.58
Heating Fuel	\$136.04	\$10,000.00	\$9,863.96
Computer Supplies	\$0.00	\$750.00	\$750.00
Training and Instruction	\$0.00	\$200.00	\$200.00
Operating & Bar Supplies	\$6,383.62	\$12,000.00	\$5,616.38
Cleaning Supplies	\$0.00	\$0.00	\$0.00
Bar Supply	\$0.00	\$0.00	\$0.00
Building Repair Supplies	\$0.00	\$0.00	\$0.00
Mix Expense	\$8,586.21	\$14,577.00	\$5,990.79
Auditing / Acc'tg Services	\$6,500.00	\$6,500.00	\$0.00
Other Professional Services - <i>Cleaning & Vending Services</i>	\$13,717.80	\$22,800.00	\$9,082.20
Website Development	\$474.00	\$948.00	\$474.00
Telephone	\$1,175.93	\$2,400.00	\$1,224.07
Postage	\$624.00	\$1,000.00	\$376.00
Cable Television	\$1,432.90	\$2,400.00	\$967.10
Internet Access	\$510.00	\$1,020.00	\$510.00
Advertising	\$28.00	\$0.00	(\$28.00)
Travel Expense	\$237.80	\$300.00	\$62.20
Freight	\$3,637.15	\$7,100.00	\$3,462.85
Legal Fees	\$0.00	\$0.00	\$0.00
Promotions/Entertainment	\$5,019.80	\$8,000.00	\$2,980.20
Legal Notices	\$0.00	\$0.00	\$0.00
Liability Insurance	\$2,016.81	\$4,256.07	\$2,239.26
Property Insurance	\$3,520.00	\$7,936.95	\$4,416.95
Dram Shop/Liquor Liability	\$3,564.00	\$3,500.00	(\$64.00)
Other Insurance	\$0.00	\$0.00	\$0.00
Work Comp	\$4,399.10	\$9,439.23	\$5,040.13
Unemployment	\$0.00	\$500.00	\$500.00
Water Utility	\$1,497.46	\$2,800.00	\$1,302.54
Garbage Disposal	\$2,922.58	\$9,000.00	\$6,077.42
Catering Expense	\$0.00	\$0.00	\$0.00
Repairs & Maintenance	\$0.00	\$0.00	\$0.00
Repairs/Maintenance Building	\$5,327.55	\$12,000.00	\$6,672.45
Uncollectible Checks	\$12.00	\$200.00	\$188.00
Dues and Subscriptions	\$1,859.34	\$4,500.00	\$2,640.66
Bank Service Charges	\$24,015.57	\$48,000.00	\$23,984.43
Furniture & Fixtures	\$0.00	\$0.00	\$0.00
Office Equip & Furnishings -	\$8,032.21	\$0.00	(\$8,032.21)
Improvements Other than Buildings - remodel	\$0.00	\$10,000.00	\$10,000.00
Building & Structures	\$0.00	\$0.00	\$0.00
Capital Outlay	\$0.00	\$10,000.00	\$10,000.00
Assessment	\$974.78	\$1,050.00	\$75.22
Obligation Debt - Remodel/Addition - Principal	\$30,000.00	\$30,000.00	\$0.00
Obligation Debt - Remodel/Addition - Interest	\$9,685.00	\$9,685.00	\$0.00
Other Equipment - Message board debt & copier lease	\$3,626.00	\$3,600.00	(\$26.00)
Total Operating Expense	\$411,345.96	\$762,986.68	\$351,640.72

Inventory Expense

\$12,192.37

NET INCOME OR LOSS

(\$48,704.74) *(gross profit - expenses)*

Other Expenses

<i>Donations</i>	<i>\$4,802.63</i>	<i>2026 Budget - \$6,000.00</i>
Capital Outlay	\$0.00	
Unemployment Paid	\$0.00	
Cash Short	(\$71.91)	
Misc. Expense	\$0.00	
Total Other Expenses	\$6,738.72	

Other Income

Reimbursements (NSF)	\$868.52
<i>Rest Income</i>	<i>\$10,921.47</i>
Vending Income	\$1,423.95
Interest	\$2,139.73
Catering Revenue	\$500.00
Bank Service Fees Charged to customers	\$5,321.07
<i>Transfer from Liquor Rest Fund</i>	<i>\$0.00</i>
Cash Over	\$58.83
Total Other Income	\$21,233.57

Gross Profit Before Transfers	(\$34,209.89)
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Transfer to General Fund & Other Funds	\$40,000.00
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2026 Transfer total budget City wide = \$70,500

Net Profit After Inventory Exp & Transfers	(\$74,209.89)
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Inventory On-Hand at 1/1/2026 after inventory total	\$98,616.22
Inventory On-Hand at 6/30/2026	\$115,217.61
Difference	\$26,601.39

YTD 4-year Sales Comparison Ending 6/30/2026

	2023	2024	2025	2026	% of Increase from 2025-2026
Off-Sale THC Edibles	\$0.00	\$2,351.65	\$13,587.48	\$8,717.92	-40.36
Off-Sale THC Beverages	\$0.00	\$8,595.00	\$10,605.07	\$8,798.27	-17.04%
Off-Sale Liquor	\$154,115.79	\$152,237.57	\$156,016.44	\$163,164.80	4.58%
Off-Sale Beer	\$256,779.38	\$241,230.58	\$247,022.14	\$227,969.38	-7.71%
Off-Sale Wine	\$22,273.12	\$23,878.58	\$22,596.85	\$23,942.46	5.95%
Total Off-Sale	\$433,168.29	\$428,293.38	\$449,827.98	\$432,592.83	-3.83%
On-Sale Liquor	\$69,944.43	\$67,169.83	\$59,677.68	\$61,224.08	2.59%
On-Sale Beer	\$81,408.20	\$81,841.97	\$81,090.18	\$91,241.70	12.52%
On-Sale Wine	\$837.02	\$981.30	\$972.91	\$1,095.03	12.55%
Total On-Sale	\$152,189.65	\$149,993.10	\$141,740.77	\$153,560.81	8.34%
Total On and Off Sale	\$585,357.94	\$578,286.48	\$591,568.75	\$586,153.64	-0.92%
Total Food Sales	\$158,233.34	\$197,118.06	\$209,567.89	\$233,660.48	11.50%
Gross Liquor Store Sales Comparison	\$792,547.32	\$838,743.53	\$871,830.34	\$869,627.97	-0.25%

2026 Blackduck DMV Office Income Statement														
Year to date Revenue thru 6/30/2026														
	2026 DMV Sales	2026 DNR Sales	2026 Total Office Sales	Previous Year Total Office Sales	Percentage to Previous Year	DMV Office Retain	DNR Office Retain	Remit to DMV State	Remit to DNR State	2026 Net Office Revenue	2026 YTD DMV Expenses	2026 YTD Net Profit	Previous Year Net Profit	Comparative +/- %
January	\$74,045.89	\$9,891.50	\$83,937.39	\$69,955.92	16.66%	\$3,853.44	\$641.00	\$70,192.45	\$9,250.50	\$4,494.44	\$5,109.59	-\$615.15	\$2,057.80	434.52%
February	\$85,893.54	\$4,646.25	\$90,539.79	\$97,708.20	-7.92%	\$4,887.59	\$316.75	\$81,005.95	\$4,329.50	\$5,204.34	\$5,265.45	-\$61.11	\$3,276.72	5462.00%
March	\$135,003.80	\$5,661.50	\$140,665.30	\$103,745.43	26.25%	\$6,440.91	\$441.00	\$128,562.89	\$5,220.50	\$6,881.91	\$4,336.77	\$2,545.14	\$3,591.45	-41.11%
April	\$86,984.94	\$4,738.00	\$91,722.94	\$79,672.94	13.14%	\$5,214.51	\$379.00	\$81,770.43	\$4,359.00	\$5,593.51	\$6,692.56	-\$1,099.05	\$2,942.43	367.72%
May	\$73,447.44	\$12,144.13	\$85,591.57	\$97,770.70	-14.23%	\$5,041.01	\$781.00	\$68,406.43	\$11,363.13	\$5,822.01	\$5,544.71	\$277.30	\$4,264.32	-1437.80%
June	\$64,950.89	\$5,456.50	\$70,407.39	\$54,471.51	22.63%	\$3,896.00	\$422.00	\$61,054.89	\$5,034.50	\$4,318.00	\$4,987.96	-\$669.96	\$1,871.67	379.37%
July			\$0.00	\$58,593.18	#DIV/0!			\$0.00	\$0.00	\$0.00		\$0.00	\$1,228.43	#DIV/0!
August			\$0.00	\$52,971.60	#DIV/0!			\$0.00	\$0.00	\$0.00		\$0.00	\$1,014.02	#DIV/0!
September			\$0.00	\$38,981.37	#DIV/0!			\$0.00	\$0.00	\$0.00		\$0.00	\$2,111.72	#DIV/0!
October			\$0.00	\$52,765.44	#DIV/0!			\$0.00	\$0.00	\$0.00		\$0.00	\$1,578.08	#DIV/0!
November			\$0.00	\$42,907.31	#DIV/0!			\$0.00	\$0.00	\$0.00		\$0.00	\$646.78	#DIV/0!
December			\$0.00	\$74,893.10	#DIV/0!			\$0.00	\$0.00	\$0.00		\$0.00	\$2,135.27	#DIV/0!
Year To Date:	\$520,326.50	\$42,537.88	\$562,864.38	\$824,436.70	-46.47%	\$29,333.46	\$2,980.75	\$490,993.04	\$39,557.13	\$32,314.21	\$31,937.04	\$377.17	\$26,718.69	-6983.99%

General Fund

Year to Date Income Statement thru 6/30/2026

General Fund Revenues - <i>thru 6/30/2026</i>	2026 YTD	2026 Budget	Remaining
Property Taxes	\$7,986.94	\$382,193.00	\$374,206.06
LGA	\$0.00	\$324,587.00	\$324,587.00
State, County, Federal Aid -	\$0.00	\$70,786.00	\$70,786.00
Fire Protection	\$106,139.81	\$105,943.34	<i>(\$196.47)</i>
Other - fines, interest, licenses, insurance proceeds,interfund transfers, etc.	\$20,575.51	\$41,425.00	\$20,849.49
Charges for Service - <i>includes DMI' & DNR</i>	\$43,928.79	\$60,000.00	\$16,071.21
Transfers in	\$30,000.00	\$60,000.00	\$30,000.00
Total General Fund Revenues	\$208,631.05	\$1,044,934.34	\$836,303.29
General Fund Expenditures - By Department - <i>through 6/30/2026</i>	2026 YTD	2026 Budget	Remaining
City Council	\$1,255.00	\$13,998.00	\$12,743.00
Administration-	\$150,586.59	\$241,642.00	\$91,055.41
Planning & Zoning	\$14,839.65	\$10,000.00	<i>(\$4,839.65)</i>
Government Bldgs	\$9,939.45	\$16,603.61	\$6,664.16
Police Department	\$34,772.19	\$218,289.61	\$183,517.42
Fire Department	\$48,614.42	\$124,100.34	\$75,485.92
Street Department	\$93,273.68	\$255,030.86	\$161,757.18
Street Lighting	\$8,322.84	\$24,000.00	\$15,677.16
License Center - DMV	\$31,937.04	\$63,233.69	\$31,296.65
Parks - Wayside Rest	\$16,962.93	\$45,934.66	\$28,971.73
Library	\$14,989.73	\$32,101.81	\$17,112.08
Total General Fund Expenditures	\$425,493.52	\$1,044,934.58	\$619,441.06
Net Difference	<i>(\$216,862.47)</i>		

MINNESOTA Lawful Gambling

LG216 Worksheet for Calculating Lawful Gambling Monthly Rent

Organization Name Blackduck Fire Relief				Licence Number 01944				Booth Operation Rent 1 List the % to be paid for paper pull-tabs, tipboards, paddle tickets, electronic pull-tabs and electronic linked bingo conducted by the organization's employees			
Site Name POND				Site Number 001				Bar Operation Rent 2 List the % to be paid for paper pull-tabs, tipboards and paddle tickets conducted by the lessor or lessor's employees			
								3 List the % to be paid for electronic pull-tabs and electronic linked bingo conducted the lessor or lessor's employees			
								1 20.00% 2 20.00% 3 15.00%			
(Use one worksheet for each site. If lease changes, use new worksheet)											
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 paddle tickets by the amount in Box 1.		Multiply the total of this month's net receipts from paper pull-tabs, tipboards, tipboards, and paddle tickets by the amount in Box 2.		If an amount was entered, in Col B, enter the sum of Cols B and C up to a max of \$1750. If Col B is blank, enter Col C.	Multiply the total of this month's net receipts from, electronic pull-tabs and electronic linked bingo by the amount in Box 3.		Add Columns D and E Report amount on Schedule A, line 22h	Enter cash short for games sold from bar-op. Report amount on Sched A, line 22m. in month the Col H is paid.	Subtract Col G from Col F. This is the amount of rent to be paid. The amount is not reported on Sched A.	
5/2026			6914.00	1382.80	1382.80	5326.00	798.90	2181.70	0.00	2181.70	

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

City of Blackduck

JUN 22 2026



CITY OF BLACKDUCK

Payments

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Page 1

Current Period: June 2026

Payment Batch COBCCPMT061226

\$2,195.66

Refer	170	CARDMEMBER SERVICE -DEERW	Ck# 016023 6/23/2026		
Cash Payment	E 550-45500-570	Office Equip and Furnishi	Business Card Holder - Christina Regas		\$33.96
Invoice					
Cash Payment	E 101-41400-433	Dues and Subscriptions	Business Card Holder - Christina Regas		\$9.39
Invoice					
Cash Payment	E 101-41400-433	Dues and Subscriptions	Business Card Holder - Christina Regas		\$50.00
Invoice					
Transaction Date	6/12/2026	DW Checking	10100	Total	\$93.35
Refer	171	CARDMEMBER SERVICE -DEERW	Ck# 016023 6/23/2026		
Cash Payment	E 601-43200-404	Repairs/Maint Machinery/	Business Credit Card Holder - Mike Schwanke		\$701.97
Invoice					
Cash Payment	E 601-43200-404	Repairs/Maint Machinery/	Business Credit Card Holder - Mike Schwanke		\$80.76
Invoice					
Cash Payment	E 101-43100-321	Telephone	Business Credit Card Holder - Mike Schwanke		\$1.99
Invoice					
Cash Payment	E 101-44444-322	Postage	Business Credit Card Holder - Mike Schwanke		\$6.31
Invoice					
Cash Payment	E 101-44444-322	Postage	Business Credit Card Holder - Mike Schwanke		\$4.07
Invoice					
Cash Payment	E 209-45183-401	Repairs/Maint Buildings	Business Credit Card Holder - Mike Schwanke		\$555.99
Invoice					
Transaction Date	6/12/2026	DW Checking	10100	Total	\$1,351.09
Refer	173	CARDMEMBER SERVICE -DEERW	Ck# 016023 6/23/2026		
Cash Payment	E 609-49750-401	Repairs/Maint Buildings	Business Card Holder - Shawnda Lahr		\$54.95
Invoice					
Transaction Date	6/12/2026	DW Checking	10100	Total	\$54.95
Refer	175	CARDMEMBER SERVICE -DEERW	Ck# 016023 6/23/2026		
Cash Payment	E 613-49830-210	Operating Supplies (GEN	Business Credit Card Holder - Misty Frenzel		\$39.22
Invoice					
Cash Payment	E 613-49830-271	Golf Accessories for Res	Business Credit Card Holder - Misty Frenzel		\$76.36
Invoice					
Cash Payment	E 613-49830-271	Golf Accessories for Res	Business Credit Card Holder - Misty Frenzel		\$49.45
Invoice					
Cash Payment	E 613-49830-343	Promotions/Entertainmen	Business Credit Card Holder - Misty Frenzel		\$108.95
Invoice					
Cash Payment	E 613-49830-270	Golf Clubs for Resale	Business Credit Card Holder - Misty Frenzel		\$65.09
Invoice					
Cash Payment	E 613-49830-343	Promotions/Entertainmen	Business Credit Card Holder - Misty Frenzel		\$201.47
Invoice					
Cash Payment	E 613-49830-210	Operating Supplies (GEN	Business Credit Card Holder - Misty Frenzel		\$49.99
Invoice					
Cash Payment	E 613-49830-210	Operating Supplies (GEN	Business Credit Card Holder - Misty Frenzel		\$48.25
Invoice					
Cash Payment	E 613-49830-271	Golf Accessories for Res	Business Credit Card Holder - Misty Frenzel		\$57.49
Invoice					
Transaction Date	6/12/2026	DW Checking	10100	Total	\$696.27



CITY OF BLACKDUCK

Payments

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Current Period: June 2026

Fund Summary

	10100 DW Checking	
101 GENERAL FUND		\$71.76
209 PINE TREE PARK FUND		\$555.99
550 KRLS LIBRARY RENOV PROJECT		\$33.96
601 WATER FUND		\$782.73
609 MUNICIPAL LIQUOR FUND		\$54.95
613 GOLF COURSE		\$696.27
		\$2,195.66

Pre-Written Checks	\$2,195.66
Checks to be Generated by the Computer	\$0.00
Total	\$2,195.66

CITY OF BLACKDUCK
Transaction Activity COB Payrolls - June 2026

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Search Name	Amount	Check Nbr	EFT	Tran Name	Check/Receipt Date	Period Name	Batch Name
2026							
DELTA DENTAL	\$375.18	005107	Yes	Cash Payment	06/12/26	June	DeltaD 062026
2026	<u>\$375.18</u>						
	<u>\$375.18</u>						

CITY OF BLACKDUCK
Transaction Activity COB Payrolls - June 2026

Search Name	Amount	Check Nbr	EFT	Tran Name	Check/Receipt Date	Period Name	Batch Name
2026							
LINCOLN NATIONAL LIFE	\$351.44	005123	Yes	Cash Payment	07/01/26	June	LinLfe 0626
2026	\$351.44						
	\$351.44						

CITY OF BLACKDUCK
Transaction Activity COB Payrolls - June 2026

Search Name	Amount	Check Nbr	EFT	Tran Name	Check/Receipt Date	Period Name	Batch Name
2026							
CENTRAL PENSION FUND	\$700.50	015920	No	Cash Payment	06/02/26	June	PR12LIABS060426
INTERNAL REVENUE SERVICE	\$2,333.44	005087	Yes	Cash Payment	06/02/26	June	PR12LIABS060426
MN DEPT OF REVENUE	\$1,440.90	005088	Yes	Cash Payment	06/02/26	June	PR12LIABS060426
MN CHILD SUPPORT PAY CTR	\$25.00	015922	No	Cash Payment	06/02/26	June	PR12LIABS060426
IUOE LOCAL #49	\$140.00	015921	No	Cash Payment	06/02/26	June	PR12LIABS060426
PERA	\$4,850.00	005089	Yes	Cash Payment	06/02/26	June	PR12LIABS060426
NATIONWIDE	\$353.79	005090	Yes	Cash Payment	06/02/26	June	PR12LIABS060426
INTERNAL REVENUE SERVICE	\$6,608.86	005087	Yes	Cash Payment	06/02/26	June	PR12LIABS060426
NORTHWEST SERVICE COOP	\$8,437.20	005106	Yes	Cash Payment	06/12/26	June	NWSCoop 061226
INTERNAL REVENUE SERVICE	\$6,942.90	005110	Yes	Cash Payment	06/16/26	June	PR13LIABS061526
INTERNAL REVENUE SERVICE	\$2,493.48	005110	Yes	Cash Payment	06/16/26	June	PR13LIABS061526
MN DEPT OF REVENUE	\$1,621.73	005111	Yes	Cash Payment	06/16/26	June	PR13LIABS061526
NATIONWIDE	\$351.79	005112	Yes	Cash Payment	06/16/26	June	PR13LIABS061526
DEERWOOD BANK	\$2,750.03	016017	No	Cash Payment	06/16/26	June	PR13LIABS061526
MN CHILD SUPPORT PAY CTR	\$25.00	016018	No	Cash Payment	06/16/26	June	PR13LIABS061526
CENTRAL PENSION FUND	\$686.00	016016	No	Cash Payment	06/16/26	June	PR13LIABS061526
PERA	\$4,987.92	005109	Yes	Cash Payment	06/16/26	June	PR13LIABS061526
	\$44,748.54						
	\$44,748.54						
2026							



CITY OF BLACKDUCK

Payments

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Page 1

Current Period: June 2026

Payment Batch maybillsupp06092026

\$13,552.10

Refer	148	<u>BERNICK COMPANIES</u>	<u>Ck# 015996 6/9/2026</u>		
Cash Payment	E 609-49750-261	THC Beverage Expense	THE POND		\$173.00
Invoice	20136015	6/4/2026			
Transaction Date	6/9/2026	DW Checking	10100	Total	\$173.00
Refer	149	<u>BERNICK COMPANIES</u>	<u>Ck# 015996 6/9/2026</u>		
Cash Payment	E 609-49750-252	Beer Expense	THE POND		\$3,944.55
Invoice	20136016	6/4/2026			
Transaction Date	6/9/2026	DW Checking	10100	Total	\$3,944.55
Refer	150	<u>BERNICK COMPANIES</u>	<u>Ck# 015996 6/9/2026</u>		
Cash Payment	E 609-49750-254	Pop Expense	THE POND		\$30.00
Invoice	20136017	6/4/2026			
Transaction Date	6/9/2026	DW Checking	10100	Total	\$30.00
Refer	151	<u>BERNICK COMPANIES</u>	<u>Ck# 015996 6/9/2026</u>		
Cash Payment	E 609-49750-252	Beer Expense	THE POND-CREDIT		-\$60.00
Invoice	7653340	6/4/2026			
Transaction Date	6/9/2026	DW Checking	10100	Total	-\$60.00
Refer	152	<u>ABSOLUTE ICE</u>	<u>Ck# 015993 6/9/2026</u>		
Cash Payment	E 609-49750-257	Ice For Resale	THE POND		\$108.00
Invoice	32445	6/4/2026			
Transaction Date	6/9/2026	DW Checking	10100	Total	\$108.00
Refer	153	<u>HEGGIES PIZZA LLC</u>	<u>Ck# 015997 6/9/2026</u>		
Cash Payment	E 609-49750-260	Food for Resale	THE POND		\$171.70
Invoice	1152712004	6/4/2026			
Transaction Date	6/9/2026	DW Checking	10100	Total	\$171.70
Refer	154	<u>US FOODS</u>	<u>Ck# 016002 6/9/2026</u>		
Cash Payment	E 609-49750-260	Food for Resale	THE POND		\$744.60
Invoice	5013974	6/4/2026			
Cash Payment	E 609-49750-333	Freight and Express	THE POND		\$11.00
Invoice	5013974	6/4/2026			
Transaction Date	6/9/2026	DW Checking	10100	Total	\$755.60
Refer	155	<u>PERFORMANCE FOOD SERVICE</u>	<u>Ck# 016000 6/9/2026</u>		
Cash Payment	E 609-49750-260	Food for Resale	THE POND		\$771.62
Invoice	114842	6/5/2026			
Cash Payment	E 609-49750-210	Operating Supplies (GEN	THE POND		\$214.22
Invoice	114842	6/5/2026			
Cash Payment	E 609-49750-333	Freight and Express	THE POND		\$9.50
Invoice	114842	6/5/2026			
Transaction Date	6/9/2026	DW Checking	10100	Total	\$995.34
Refer	156	<u>MCKINNON CO., INC</u>	<u>Ck# 015998 6/9/2026</u>		
Cash Payment	E 609-49750-251	Liquor Expense	THE POND		\$1,766.60
Invoice	921111	6/5/2026			
Cash Payment	E 609-49750-252	Beer Expense	THE POND		\$4,488.75
Invoice	921111	6/5/2026			



CITY OF BLACKDUCK

Payments

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Current Period: June 2026

Cash Payment	E 609-49750-252 Beer Expense	THE POND			\$65.00
Invoice 921111	6/5/2026				
Transaction Date	6/9/2026	DW Checking	10100	Total	\$6,320.35
Refer	157 MCKINNON CO., INC	Ck# 015998	6/9/2026		
Cash Payment	E 609-49750-252 Beer Expense	THE POND			\$34.00
Invoice 921110	6/5/2026				
Transaction Date	6/9/2026	DW Checking	10100	Total	\$34.00
Refer	158 NEI BOTTLING	Ck# 015999	6/9/2026		
Cash Payment	E 609-49750-254 Pop Expense	THE POND			\$22.49
Invoice 2008839	6/4/2026				
Transaction Date	6/9/2026	DW Checking	10100	Total	\$22.49
Refer	159 SOUTHERN GLAZERS OF MN	Ck# 016001	6/9/2026		
Cash Payment	E 609-49750-251 Liquor Expense	THE POND			\$858.28
Invoice 2765980	6/4/2026				
Cash Payment	E 609-49750-253 Wine Expense	THE POND			\$179.52
Invoice 2765980	6/4/2026				
Cash Payment	E 609-49750-333 Freight and Express	THE POND			\$19.27
Invoice 2765980	6/4/2026				
Transaction Date	6/9/2026	DW Checking	10100	Total	\$1,057.07

Fund Summary

	10100 DW Checking	
609 MUNICIPAL LIQUOR FUND	\$13,552.10	
	\$13,552.10	

Pre-Written Checks	\$13,552.10
Checks to be Generated by the Computer	\$0.00
Total	\$13,552.10



CITY OF BLACKDUCK

Payments

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Current Period: June 2026

Payment Batch LEEVERSSUPP061126 \$5,191.76

Refer 163 BLACKDUCK LEEVERS FOODS Ck# 016004 6/11/2026

Cash Payment E 609-49750-260 Food for Resale \$5,177.30

Invoice

Cash Payment E 613-49830-407 Golf Cart Maintenance/R \$14.46

Invoice

Transaction Date	6/11/2026	DW Checking	10100	Total	\$5,191.76
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Fund Summary

	10100 DW Checking	
609 MUNICIPAL LIQUOR FUND		\$5,177.30
613 GOLF COURSE		\$14.46
		\$5,191.76

Pre-Written Checks	\$5,191.76
Checks to be Generated by the Computer	\$0.00
Total	\$5,191.76

SALES TAX RECEIPTS

City of Blackduck												
Payment Date	Revenue Month	Gross Revenue Amount	Start-up Costs (One-time only)	Miscellaneous Deduction or Addition (See notes below)	Administrative Cost	Net Amount Paid						
9/10/2025	July	9,644.67			(86.80)	9,557.87						
10/10/2025	August	10,952.38			(98.57)	10,853.81						
11/10/2025	September	9,940.22			(89.46)	9,850.76						
12/10/2025	October	8,487.34			(76.39)	8,410.95						
1/9/2026	November	8,264.39			(74.38)	8,190.01						
2/10/2026	December	8,003.61			(72.03)	7,931.58						
3/10/2026	January	9,884.31			(88.96)	9,795.35						
4/10/2026	February	8,523.55			(76.71)	8,446.84						
5/8/2026	March	7,298.10			(65.68)	7,232.42						
6/10/2026	April	8,272.24			(74.45)	8,197.79						
7/10/2026	May					-						
8/10/2026	June					-						
TOTAL		89,270.81	-	-	(803.43)	88,467.38						
Please note: This report contains current fiscal year information only.												

City Council
City of Blackduck
Blackduck, Minnesota

This communication is to inform you that we will be unable to issue our audit report by June 30, 2026, the Minnesota Office of the State Auditor reporting deadline, due to difficulties encountered in performing the audit. We consider this a serious matter because stakeholders need to receive information timely for it to be useful in decision making.

This communication documents the matters we discussed with Christina Regas, City Administrator, on June 24, 2026. We are available to meet with City Council to further discuss these matters and answer your questions since two-way communication between those charged with governance and our firm can provide valuable information to the audit process.

Difficulties encountered in performing the audit

During the course of the audit, we encountered certain matters that resulted in additional audit procedures and review requirements beyond those initially anticipated. These matters included the determination that single audit procedures were required for both the 2024 and 2025 fiscal years related to the USDA Rural Development Community Facilities Loan, as well as an item identified near the conclusion of the audit for which additional follow-up was required before the audit report could be finalized. This was due to a testing oversight by an individual on our team which has since been addressed. Additional details have been discussed with Mayor Max Gullette, on June 26, 2026 and he is welcome to share the additional details with the council.

As a result, we were unable to complete the remaining audit procedures and review process in time to issue the audit report by the Minnesota Office of the State Auditor reporting deadline. This delay was not the result of the City's actions or inaction. The City provided information and assistance throughout the audit process, and we were able to substantially complete audit procedures for the financial statement audit and single audit, except for the remaining item requiring additional follow-up.

We anticipate that the audit should be completed by July 31, 2026. We have discussed the above items with management, and we remain committed to working with management to complete the audit.

Interim communication

This interim communication is provided pursuant to auditing standards generally accepted in the United States of America (U.S. GAAS), which requires auditors to communicate on a timely basis significant findings or issues identified during the audit. Accordingly, this communication is based on our audit procedures performed through June, an interim period. Because we have not completed our audit, additional findings and material weaknesses may be identified and communicated in a written communication at the conclusion of our engagement. We are providing this early communication to those charged with governance because of the significance of the matters identified and the urgency for taking appropriate timely remedial action to minimize the effects of such matters. The above matters are significant and relevant to your responsibility to oversee the financial reporting process, the strategic direction of the entity, and the obligations related to the accountability of the entity.

We were engaged to audit the financial statements of City of Blackduck as of and for the year ended December 31, 2025.

* * *

This interim communication is intended solely for the information and use of the City Council and management of City of Blackduck and is not intended to be, and should not be, used by anyone other than these specified parties.

6/26/2026

X 

Troy Gabler
Principal
Signed by: Troy.Gabler

CliftonLarsonAllen LLP

Minneapolis, MN
June 30, 2026



CITY OF BLACKDUCK

PUBLIC FUNDS REQUEST FORM

PO BOX 380 BLACKDUCK, MN 56630

JUN 25 2026

Organization or Group Requesting Public Funding:

Blackduck CFWC Tri Sigma
Treasurer Connie Moen - 218-553-0539.

What type of project will the Public Funds used for:

Blackduck Area Walk to end Alzheimer.
5-K

Describe IN DETAIL the overall benefits this will provide to the City of Blackduck as a body and what public purpose will the project provide to the residents of the City of Blackduck:

Exposure to Blackduck, Community participation, revenue for businesses, Community services for our community. Good deed for a cause well needed.

Outline specifically WHAT PORTION of the project these funds will be used for:

Advertising - T-Shirts - both at the Woodcarvers Festival - Supplies

What other Organization has your group contacted for funding? Please list names of other organizations and the dollar amounts requested and or grants requested:

Thrivent \$250
Blackduck Fire Dept. \$500

Date Funds are being requested:

June 22 2026

Date the project starts and completes:

April - Sept 19 2026 Walk

See opposite side of form for Conditions for Requesting Public Funds

Dear Area Businesses,

We are reaching out on behalf of Blackduck Tri Sigma. We are a local service organization that celebrates our 100th anniversary this year.

This year we are holding a Blackduck area walk to end Alzheimer's, which will take place on September 19 at the Blackduck Wayside Rest. This event supports the important work of the Alzheimer's Association and helps raise awareness, provide care resources and fund research toward a cure for Alzheimer's disease and other forms of dementia.

We are asking local businesses like yours to consider supporting our efforts through a donation, sponsorship, raffle item, or contribution of any kind.

Please participate in "Paint The Town Purple" by decorating windows and sidewalks to show your support to all the walkers! Starting September 1st.

Thank you for considering supporting this important cause. Together we can help bring hope to families affected by Alzheimer's and move closer to a future without this disease.

We invite you to join our event, Blackduck Area Walk To End Alzheimer's on Facebook.

If you have any questions or would like additional information, please feel free to contact

Julie Juelson 218-766-7416

Connie Moen 218-553-0539

Sincerely,

Blackduck Tri Sigma GFWC



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

July 6, 2026

Office of the Minnesota State Auditor, OSA
MN State Auditor Blaha
525 Park Street, Suite 500
St. Paul, MN 55103

RE: City of Blackduck 2025 Financial Audit Deadline Extension Request

Dear Auditor Blaha,

On behalf of the City Council of the City of Blackduck, this letter is to formally request an extension on the deadline for the 2025 Financial Audit for the City of Blackduck. The City formally requests this extension due to the following unforeseen reasons:

- The Audit Company, Clifton Larson Allen LLP, encountered certain matters that resulted in additional audit procedures and review requirements beyond those initially anticipated. These matters included the determination that single audit procedures were required for both the 2024 and 2025 fiscal years related to the USDA Rural Development Community Facilities Loan, as well as an item identified near the conclusion of the audit for which additional follow-up was required before the audit report could be finalized. This was due to a testing oversight by an individual on the audit team. The delay was not the result of the City's actions or inaction.
- The City of Blackduck has been advised by their independent auditors the estimated time frame for completion will be July 31, 2026 or sooner.

Please consider this request as the City of Blackduck has historically had a timely submission of the financial audits in previous years. Please provide feedback to City Administrator Christina Regas at christina.regas@blackduckmn.com and Mayor Maxwell Gullette at Maxwell.gullette@blackduckmn.com or call City Hall at 218-835-4803.

Best Regards,



Christina Regas
City Administrator
City of Blackduck

CC: City Council of the City of Blackduck, Troy Gabler, CPA CLA

www.blackduckmn.com

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

"The City Of Blackduck Is An Equal Opportunity Provider"

From: [OSA GID](#)
To: [Christina Regas](#); [Gabler, Troy](#)
Cc: [Kelly, Siona](#)
Subject: Re: Delay of Issuance - City of Blackduck
Date: Monday, July 6, 2026 2:17:07 PM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)
[image009.png](#)
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[EXTERNAL]

Good afternoon Christina,

Thank you for your email and providing an explanation as to why the extension is requested. We can provide a 45-day extension. Therefore, the 2025 Audit, Financial Reporting Form, and related documents are due August 14, 2026. We hope this helps. If the information is completed before August 14, 2026, we ask that you please submit it at that time.

Thank you!



Cassidy Adamson

Government Information Division

Phone: (651) 297-3682

Email: GID@osa.state.mn.us

Website: www.osa.state.mn.us

525 Park Street, Suite 500
Saint Paul, MN 55103

*The Office of the State Auditor does not provide legal or investment advice.
If you need legal or investment advice, consult with your attorney or investment advisor.*

From: Christina Regas <Christina.Regas@blackduckmn.com>
Sent: Monday, July 6, 2026 11:44 AM
To: OSA GID <gid@osa.state.mn.us>; Gabler, Troy <Troy.Gabler@claconnect.com>
Cc: Kelly, Siona <Siona.Kelly@claconnect.com>
Subject: Re: Delay of Issuance - City of Blackduck

Good morning Cassidy,

On behalf of the City of Blackduck please see formal extension request for the 2025 Financial Audit.

Christina Regas

City Administrator



City of Blackduck, Minnesota

Christina.regas@blackduckmn.com

218-835-4810

From: OSA GID <gid@osa.state.mn.us>
Sent: Tuesday, June 30, 2026 4:11 PM
To: Gabler, Troy <Troy.Gabler@claconnect.com>
Cc: Christina Regas <Christina.Regas@blackduckmn.com>; Kelly, Siona <Siona.Kelly@claconnect.com>
Subject: Re: [External] Re: Delay of Issuance - City of Blackduck

[EXTERNAL]

Hi Troy,

Yes, we will accept the extension request next week.

Thank you!



Cassidy Adamson

Government Information Division

Phone: (651) 297-3682

Email: GID@osa.state.mn.us

Website: www.osa.state.mn.us

525 Park Street, Suite 500
Saint Paul, MN 55103

*The Office of the State Auditor does not provide legal or investment advice.
If you need legal or investment advice, consult with your attorney or investment advisor.*

From: Gabler, Troy <Troy.Gabler@claconnect.com>
Sent: Tuesday, June 30, 2026 4:02 PM
To: OSA GID <gid@osa.state.mn.us>
Cc: Regas, Christina <christina.regas@blackduckmn.com>; Kelly, Siona <Siona.Kelly@claconnect.com>
Subject: Re: [External] Re: Delay of Issuance - City of Blackduck

Hey Cassidy,

Christina is out on medical leave until next Monday so hoping the state can take that request next week.

Thanks,



Troy Gabler, CPA

Principal

State and Local Government

Direct 763-516-7742 Mobile 763-516-7742

CLA (CliftonLarsonAllen LLP)

troy.gabler@claconnect.com

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From: OSA GID <gid@osa.state.mn.us>
Sent: Tuesday, June 30, 2026 4:00 PM
To: Gabler, Troy <Troy.Gabler@claconnect.com>
Cc: Regas, Christina <christina.regas@blackduckmn.com>; Kelly, Siona <Siona.Kelly@claconnect.com>
Subject: [External] Re: Delay of Issuance - City of Blackduck

Think Security – This email originated from an external source. Be cautious with any links or attachments.

Good afternoon,

Thank you for your email and providing this information. Please have the City send an email to GID@osa.state.mn.us requesting an extension so we can update our records accordingly.

We are asking that any extension requests come directly from the local government, rather

than the audit firm, as it is the responsibility of the City to ensure that the year-end reporting requirements are met.

Thank you!



Cassidy Adamson

Government Information Division

Phone: (651) 297-3682

Email: GID@osa.state.mn.us

Website: www.osa.state.mn.us

525 Park Street, Suite 500
Saint Paul, MN 55103

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From: Gabler, Troy <Troy.Gabler@claconnect.com>

Sent: Tuesday, June 30, 2026 10:51 AM

To: OSA GID <gid@osa.state.mn.us>

Cc: Regas, Christina <christina.regas@blackduckmn.com>; Kelly, Siona
<Siona.Kelly@claconnect.com>

Subject: Delay of Issuance - City of Blackduck

Hello!

The City of Blackduck will have a delay of issuance caused by an issue on our end at CLA, we should be able to remedy this and have the report issued in July of 2026 .

Just wanted to give the OSA a heads up and provide the official letter we provided to the City regarding the issue.

Thanks,



Troy Gabler, CPA

Principal

State and Local Government

Direct 763-516-7742 Mobile 763-516-7742

CLA (CliftonLarsonAllen LLP)

troy.gabler@claconnect.com

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CliftonLarsonAllen LLP



CITY OF BLACKDUCK NOTICE OF FILING

Notice is hereby given, that filings for the office of two Councilors for a (4) year term for the City of Blackduck, one Councilor for a (2) year term for the City of Blackduck, and Mayor for a term of (2) years, will be open Tuesday, July 14, 2026 through Tuesday, July 28th, 2026 @ 5:00pm.

Councilors whose terms expire include Councilor Ronald Fredrickson and Councilor Laurie Hamilton; vacated Councilor seat of Donald Johnson; and the Mayor's term expiring is that of Mayor Maxwell Gullette.

Any person desiring to file as a candidate for these offices, who is eligible to vote in the City of Blackduck, who will be 21 years old on assuming office, is a citizen and has been a resident of the city for at least 30 days and has not been convicted of a felony under State or Federal law unless his or her Civil Rights have been restored, may do so by filing an affidavit of candidacy at the office of the City Clerk at Blackduck City Hall. A filing fee of \$2.00 is required. The election for these City Offices will be held on Tuesday, November 3rd, 2026 in the City of Blackduck, County of Beltrami, and State of Minnesota between 7:00am and 8:00pm.

Christina Regas
City Administrator