

**Kitchigami Regional Library System  
Board Meeting September 17, 2020 6:00 p.m.  
Kitchigami Headquarters Building, Pine River, MN**

Board members present: Bill Brekken, Tom Krueger, Jim Hofer, Mary Koep, Neal Gaalswyk

Board members present virtually: Reed Olson, George Deiss, Tom Conway

Board members absent: Nancy Erickson, Kendra Murray, Richard Molash, Phyllis Eck, Tammy Hansen, Charlene Moore

Others present non-voting: Staff members: Stephanie Johnson, Carol Christensen  
Others: Chris Clasen CPA

Chair Gaalswyk called the meeting to order at 6:00 p.m.

Approval of Agenda Jim Hofer requested additional agenda item under New Business b.1 Fund Balance Discussion. Chair Gaalswyk requested agenda item 6b follow Director's Report.  
**Motion by Jim Hofer, seconded by Tom Conway, to approve the revised agenda. Motion carried unanimously.**

Consent Agenda **Motion by Mary Koep, seconded by Bill Brekken, to approve the items A-D on the Consent Agenda:**

- a. July 2020 Minutes
- b. July-August 2020 Financial Statements
- c. July-August 2020 Bills
- d. Director's Report – Technical Services Manager Megan Lysford was hired September 1st, filling the seven year vacancy. This should not affect the current KRLS contract with LCSC through June 2021. KRLS Headquarters' roof was replaced through an insurance claim. A large tree fell on the property unexpectedly and was removed. KRLS checkouts and statistics were down significantly due to library closures caused by COVID-19, showing the importance of browsing and building useage. Electronic statistics increased, however, did not completely make up for decrease in circulation statistics. This could be due to access and awareness of technology in our region.

**Motion carried unanimously.**

2019 Audit Chris Clasen, CPA, a partner at Clasen, Stegner and Schiessl CPAs, Ltd. located in Nisswa, MN, gave a brief overview of the 2019 KRLS Audit. Everything was reasonably reported except

for the value of the collection which changes almost daily. The unrestricted portion of KRLS's net position totals \$4,501,382. There was a positive change in general revenues of \$379,745. From a government's perspective, this is not ideal. KRLS's unassigned fund balance total was \$3,766,385. In general, 50-100% of one year's expenditures was recommended. Clasen, Stegner, and Schiessl CPAs, Ltd. advised KRLS to work on expenses, in particular salaries and employee benefits. They also recommended additional internal controls through segregation of duties in the preparation of financial statements. Electronic signatures as opposed to pre-signed checks was proposed. There was one compliance issue at Citizen's Bank noted in the audit for lack of collateral for excess deposits.

Jim Hofer lead the discussion about the KRLS Fund Balance. The Board discussed areas of over budgeting and the possible causes, including staff vacancies, unused benefits, and salaries. Strategic planning will help guide future KRLS budget proposals. **Motion by Jim Hofer, seconded by Tom Conway, for Director Johnson to revise 2021 budgets by a net effect of \$100,000 by reducing expenditures or increasing revenue estimates.** Discussion. Motion carried unanimously.

**Motion by Jim Hofer, seconded by Tom Krueger, to approve the 2019 Financial Audit.** Motion carried unanimously.

RLBSS: Amendment to FY2021 grant application

Director Johnson explained the RLBSS application approved in June was amended to include new figures from the state showing an increase of \$20,600 from fiscal year 2020 due to population increases. **Motion by Tom Conway, seconded by George Diess, to approve the amendment to the 2021 RLBSS application.** Motion carried unanimously.

ACHF: Amendment to FY2021 grant application

Director Johnson explained the ACHF application budget was reduced by 14% by the state due to the COVID-19 pandemic which is reflected in the amended budget. **Motion by Jim Hofer, seconded by Bill Brekken, to approve the amendment to the 2021 ACHF application.** Motion carried unanimously.

Strategic Planning

Chair Gaalswyk gave the board an update on the Strategic Planning steering committee's process. Four broad categories of goals have been identified: marketing and branding, programs and services, regional and institutional success/changes, and community engagement. Library Strategies has produced a community survey and hopes to have at least 500 participants. Board members were requested to provide Director Johnson with contacts for 3-5

people who may be willing to participate in one of 3 focus groups planned for October 3-6 by Tuesday, September 22<sup>nd</sup>. The Board agreed to meet virtually between November 9<sup>th</sup> and 19<sup>th</sup> to discuss the strategic plan before voting on it at the November board meeting.

#### HQ Landscaping

Of three landscaping bids, Director Johnson recommended the proposal from Backyard Reflections, which met all RFP requirements and came in as the low bidder. **Motion by George Diess, seconded by Jim Hofer, to award the landscaping contract to Backyard Reflections.** Discussion. **Motion carried unanimously.**

#### COVID 19 Update

Director Johnson gave an update on library services at branch libraries. All branches are open to some degree, varying by community and branch. Mobile Library is open and very busy, especially in Wadena County. All are on track to increase services using phased planning. As of September 1<sup>st</sup>, KRLS has spent approximately \$26,000 on specific COVID related supplies, including protective barriers, sanitizing stations, disinfecting gloves, and face masks. An additional \$5,000 above the \$25,000 the KRLS Board approved in May to cover pandemic supplies through the end of the year should be sufficient for libraries. County level funding is available by application through the CARES Act, which Director Johnson confirmed with Cass County Administrator Josh Stevenson. **Motion by Jim Hofer, seconded by Reed Olson, to approve the adjustment of COVID-19 related spending on safety equipment to \$30,000.** Discussion. **Motion carried unanimously.**

#### Bills: September 2020

**Motion by Jim Hofer, seconded by Neal Gaalswyk, to approve payment of the September 2020 bills checks #22238 to #22259 in the amount of \$27,892.77 in addition to checks #22260 to #22272 in the amount of \$30,120.08 as well as the authorization of payroll checks #41941 to #42004 in the amount of \$63,309.38.** Roll call vote: **Motion carried unanimously.**

#### RLTA FY2020 Final

**Motion by Mary Koep, seconded by Tom Conway, to approve the RLTA FY2020 final report.** **Motion carried unanimously.**

#### RLTA FY2021 Application

RLTA application for Category 2 funding runs through the end of June 2021. Costs haven't changed, but there is additional broadband in Bemidji and Blackduck libraries included. **Motion by Reed Olson, seconded by Jim Hofer, to approve the RLTA FY2021 application.** Discussion. **Motion carried unanimously.**

RLBSS: Report of results accomplished FY2020

RLBSS is primary grant in aid that funds Headquarters' operations, as well as programming for the ILS system and participation in Interlibrary Loan. **Motion by Mary Koep, seconded by Bill Brekken, to approve the RLBSS report for submission to the state. Motion carried unanimously.**

ACHF FY20 Interim Report

**Motion by Jim Hofer, seconded by Tom Krueger, to approve the ACHF FY20 Interim Report for submission to the state. Motion carried unanimously.**

Staff Microsoft Outlook Update

In January 2020, KRLS Board had approved migration to Outlook 365, however, the quote was rejected by Microsoft after they decided we did not qualify as an educational organization. The current quote includes 51 licenses for Microsoft 365 for staff email and MS Office programs. **Motion by Tom Conway, seconded by Tom Krueger, to retroactively approve the quote of \$6,373.40 for email migration from Outlook 2010 to Outlook 365 for KRLS staff. Discussion. Motion carried unanimously.**

CD Renewals

Three banks responded with fairly low interest rates. **Motion by Jim Hofer, seconded by Tom Krueger, that the following Certificates of Deposit be renewed at Citizens National Bank of Park Rapids for six months at .6% interest:**  
**CD #16930: Summer Library Program for approximately \$28,145.92**  
**CD #16931: Automation and Accounting software for approximately \$259,022.28**  
**CD #16932: Non-Restricted for approximately \$124,977.19**  
**CD #16933: Summer Reading Program for approximately \$37,540.78.**  
 Discussion. **Motion carried unanimously.**

Motion by consensus to adjourn at 7:47 p.m.

Minutes respectively submitted by Administrative Assistant Carol Elizabeth Christensen.

Minutes signed by Board Secretary, Mary Koep \_\_\_\_\_

Date \_\_\_\_\_