

**CITY OF DULUTH, MINNESOTA**  
**2018 ADOPTED ANNUAL BUDGET**



# CITY OF DULUTH

## 2018 Adopted Annual Budget

### MAYOR

Emily Larson

### CITY COUNCILORS

Gary Anderson

Zack Filipovich

Jay Fosle

Elissa Hansen

Renee Van Nett

Noah Hobbs

Barb Russ

Joel Sipress

Em Westerlund

### CHIEF ADMINISTRATIVE OFFICER

David Montgomery



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# INTRODUCTION



## City of Duluth Finance Department

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218-730-5460 • Fax: 218-730-5919

January 1, 2018

Members of the Duluth City Council  
And Other Interested Parties

Dear Reader,

The City of Duluth budget process is a disciplined practice which uses the strengths of highly skilled leaders to set City priorities while seeking strategic financial solutions and opportunities to achieve these priorities. The 2018 budget was completed in accordance with the City's budget policies, city charter and the State of Minnesota's truth in taxation laws.

The budget process began with Mayor Emily Larson presenting the proposed general fund budget and tax levy to the City Council on August 14, 2017. The City Council approved the proposed maximum tax levy on September 25, 2017. Finance committee meetings were held in August, September, October, November, and December where City departments and authorities presented their budgets as well as strengths, opportunities, and future challenges. On December 4, 2017 a truth in taxation hearing was held in the Duluth City Council Chambers at 7:00 pm to allow citizens time for public comment and questions. The final 2018 budgets, budget appropriations, tax levies, capital improvement plan, and bonding intent and plan were approved by Council on December 4, 2017.

The 2018 budget is "Shared Sacrifice for the Greater Good"; a nuts and bolts budget focused on addressing infrastructure in three ways: increased funding for physical infrastructure of streets, investment in cost-efficient energy infrastructure of renewable energy, and identifying and tackling ongoing structural budget deficit issues.

### 2018 Budget Highlights:

- **Sustainable general fund departmental budget reductions** in excess of \$1.7 million
- **Increased funding for streets** additional \$1 million tax levy for a total of \$3.8 million for 2018
- **Increased tax levy** \$1.5 million for general operations
- **Increase in health care** costs of 10%
- **One-time investment in Minnesota Power's Community Solar Garden** in the amount of \$895,500; anticipated energy savings of \$2 million over the course of the 25-year agreement

### Budget Drivers:

- **State Budget Considerations**
  - LGA
  - Levy limits
- **Employee Expenses**
  - Collective bargaining agreement wage increases
  - Health insurance premiums
  - Retiree insurance
- **Economy**
  - Expanding tax base
  - Sales tax

### Framework Goals and Assumptions:

- A firm commitment to investing in streets through long term and reliable funding strategies. The 2018 budget includes an increased investment of \$1 million.
- General fund ongoing structural imbalance due to increasing health care costs and wage growth which outpace stagnant revenues.
- Property tax value growth of 4.45%

- An increase of 10% in health care rates.
- A one-time, \$895,500 investment as a tenant in the Community Solar Garden of Minnesota Power. This investment is estimated to save \$2 million in energy costs for the City over the course of the 25-year agreement.
- The City continues to prioritize making debt payments to ensure the City remains in excellent standing with bond rating agencies which allows the City to leverage other investments and benefits.

The 2018 budget approvals were endorsed by the City Council, led by Council President Joel Sipress. Mayor Larson's 2018 proposed levy and budget presentation can be seen by clicking the link <http://duluthmn.gov/mayor/2018-proposed-levy-and-budget/>.

The 2018 budget continues the application of strong and consistent financial principles that have been utilized to improve and strengthen the City's financial health and create budget stability over the past ten years. The City budget process embraces a series of principles which provide the foundation to short and long-term planning and have helped the City dramatically improve its financial health during a very turbulent and challenging period. Key principles in the City's financial stability include budget discipline; organizational and process reengineering using core competencies to seek out improvements in operational efficiency and effectiveness; seeking strategic solutions to financial opportunities such as the creative conversion of the over-65 plan to a Medicare supplement, the creations and funding of an OPEB trust to finance long-term retiree costs, the reduction of general fund revenue volatility; a focus on debt management through cautious borrowing and attention to interest rate opportunities all while protecting the City's bond rating; and seeking out the best employees both internally and externally to capitalize on diverse, innovative talents and ideas.

Throughout the budget process, employees dedicate numerous hours to innovative thinking for ways to achieve City priorities with a minimal effect on taxpayer dollars. A sincere appreciation goes out to managers, staff, and finance personnel who work collaboratively to develop a budget which reflects the annual priorities of the City.

Sincerely,



Jennifer Carlson  
Budget Manager



Wayne Parson  
Chief Financial Officer

# City of Duluth Minnesota – 2018 Budget

## Profile of Duluth, MN



Duluth is the seat of St. Louis County, the largest city in the northern two-thirds of Minnesota, and the fourth largest city in the state. It is located on the western tip of Lake Superior and its city limits encompass 67 square miles of land and nearly 50 square miles of water. Situated on a hillside along Lake Superior's north shore, Duluth is 23 miles long and eight miles wide at its broadest point. It is considered a regional center for Northern Minnesota, Northwest Wisconsin, Upper Michigan, and Lower Ontario.

The City is built into a steep rocky hillside, with an elevation change of approximately 900 feet, and temperatures that can vary greatly from season to season and even day to day, due to the proximity of Lake Superior. January has an average low temperature of 2°F and July has an average high temperature of 76°F. The average snowfall is 85 inches and the average precipitation is 31 inches.

Duluth was voted Outside magazine's best outdoors town in America. The City of Duluth provides 129 municipal parks with a total of 6,834 acres of city parkland. The City provides 150 miles of unpaved hiking trails, 85 miles of bike-optimized, multi-use trails, and 12 miles of paved, accessible trails. The City is home to 2 ski hills, 16 designated trout streams and Lake Superior, the world's largest freshwater lake by surface area. 6.7 million people visit Duluth annually.

Once dependent on heavy industry for its economic health, Duluth has diversified and is now a strong center for shipping, tourism, culture, education, health care, retail sales, technology, and aviation.

Higher education opportunities include the University of Minnesota, Duluth, the College of St. Scholastica, and Lake Superior College. 35% of the adult population in Duluth has a bachelor's degree or higher.

After reaching a population peak of 107,312 in 1960, Duluth's 2017 population of 86,293, as estimated by the US Census Bureau, has remained relatively flat since the 1990 census.

There are 38,208 housing units in Duluth. The median income is \$45,950, while the average median income for state of Minnesota is \$58,476. Duluth's unemployment rate in 2017 was 3.7%.

Additional demographics, principal employers and property taxpayers can be found in the appendix.



# City of Duluth Minnesota – 2018 Budget

## Form of Government

Duluth adopted its first home-rule charter in March 1900. This charter provided for the Mayor-Alderman form of government. On December 1912, the voters of Duluth voted out the charter and replaced it with the 1912 Home Rule Charter – adopting the Commission form of government. The Commission form of government ended on June 1956 at which time the Mayor-Council form of government went into effect, in accordance with the mandate of the voters expressed at the municipal election March 1956. The current form of government is still Mayor-Council as amended September 1964.

## ELECTED OFFICIALS

### Mayor – Emily Larson

January 2016 to January 2020

#### Councilors at Large

Zack Filipovich	January 2018	to	January 2022
Elissa Hansen	January 2016	to	January 2020
Noah Hobbs	January 2016	to	January 2020
Barb Russ	January 2018	to	January 2022

#### District Councilors

1	Gary Anderson	January 2016	to	January 2020
2	Joel Sipress	January 2018	to	January 2022
3	Em Westerlund	January 2016	to	January 2020
4	Renee Van Nett	January 2018	to	January 2022
5	Jay Fosle	January 2016	to	January 2020

## APPOINTED OFFICIALS

#### Chief Administrative Officer

David Montgomery

#### City Attorney

Gunnar Johnson

#### Authorities Directors

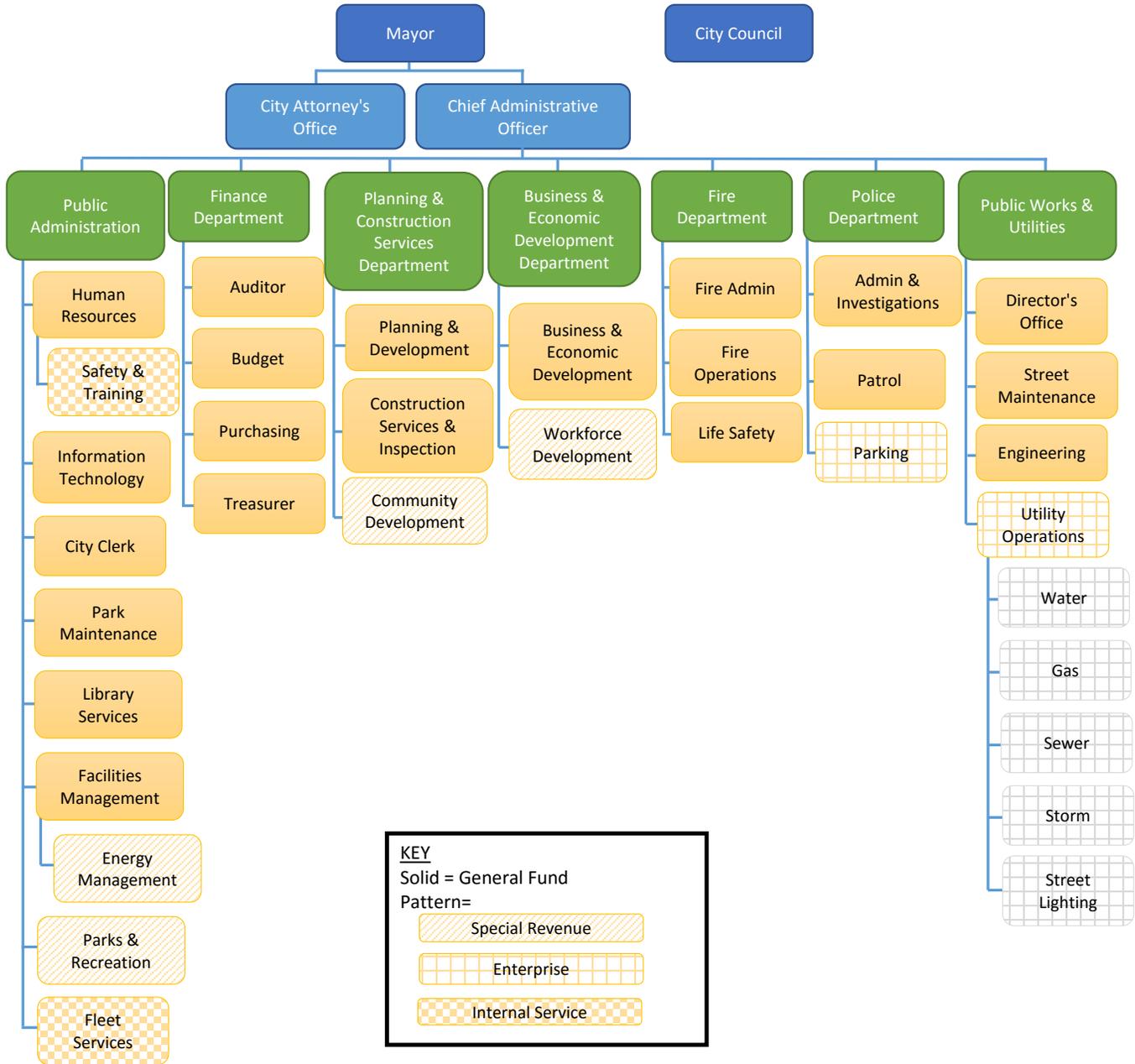
Airport	Tom Werner
DECC	Chelly Townsend
DTA	TBD
Spirit Mountain	Brandy Ream

#### City Department Heads

Chief Financial Officer	Wayne Parson
Public Administration	Jim Filby Williams
Business & Econ Dev	Heather Rand
Planning & Comm Dev	Keith Hamre
Fire	Dennis Edwards
Police	Mike Tusken
Public Works & Utilities	James Benning

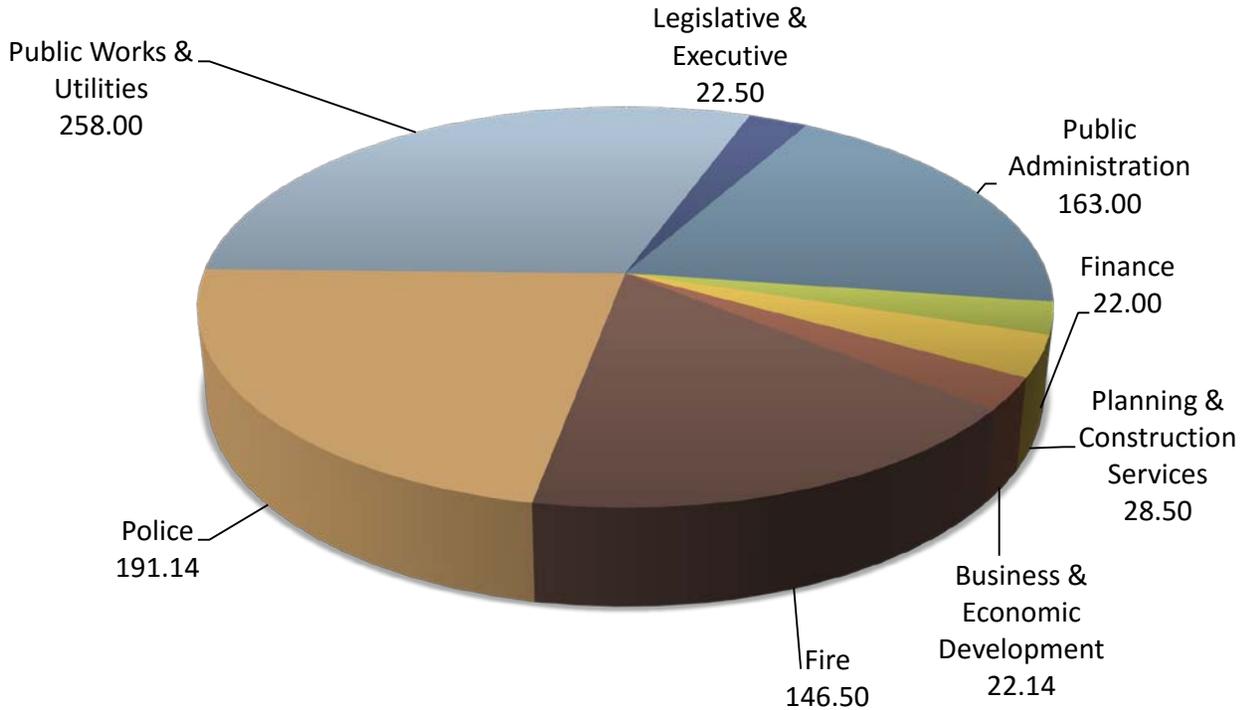
# CITY OF DULUTH ORGANIZATION CHART

The City, as authorized by City Charter, may have up to nine operating departments with divisions as appropriate within those departments. Most city departments are within the General Fund, with a few exceptions that cross fund lines.



# CITYWIDE PERSONNEL SUMMARY

## 2018 Permanent FTE's by Department



Department	2015 Budget	2016 Budget	2017 Budget	2018 Approved	Difference 2018-2017
Legislative & Executive	23.50	23.50	24.50	22.50	-2.00
Public Administration	166.25	168.25	168.50	163.00	-5.50
Finance	22.50	23.50	23.00	22.00	-1.00
Planning & Construction Services	31.00	30.50	30.50	28.50	-2.00
Business & Economic Development	24.50	23.55	23.55	22.14	-1.41
Fire Department	143.00	144.50	146.50	146.50	0.00
Police Department	186.50	189.50	193.14	191.14	-2.00
Public Works & Utilities	259.00	259.00	261.00	258.00	-3.00
<b>TOTAL</b>	<b>856.25</b>	<b>862.30</b>	<b>870.69</b>	<b>853.78</b>	<b>-16.91</b>

**CITYWIDE PERSONNEL SUMMARY**  
**Fulltime, Permanent Positions**

Department/Division	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>LEGISLATIVE &amp; EXECUTIVE</b>				
City Council	0.00	0.00	0.00	0.00
Mayor Office	4.00	4.00	5.00	4.00
Chief Administrative Officer	2.50	2.50	2.50	2.50
Attorney's Office	17.00	17.00	17.00	16.00
DEPARTMENT TOTAL	23.50	23.50	24.50	22.50
<b>PUBLIC ADMINISTRATION</b>				
Human Resources	12.00	11.75	11.00	10.50
Information Technology	21.00	21.00	22.00	22.00
City Clerk	7.00	7.00	7.00	6.00
Park Maintenance	24.35	24.60	24.35	22.60
Library Services	46.50	46.50	46.70	46.70
Parks and Recreation	9.75	11.75	11.95	11.70
Facilities Management	25.30	25.30	25.30	24.30
Fleet Services	18.35	18.35	18.20	17.20
Safety and Training	1.00	1.00	1.00	1.00
Energy Management	1.00	1.00	1.00	1.00
DEPARTMENT TOTAL	166.25	168.25	168.50	163.00
<b>FINANCE</b>				
Budget Office	3.00	3.00	3.00	3.00
Auditor's Office	8.50	9.50	9.00	9.00
Purchasing	2.00	2.00	2.00	2.00
Treasurer's Office	9.00	9.00	9.00	8.00
DEPARTMENT TOTAL	22.50	23.50	23.00	22.00
<b>PLANNING &amp; CONSTRUCTION SERVICES</b>				
Physical Planning	7.17	6.67	6.97	6.92
Construction Services	17.00	17.50	17.50	16.50
Community Development	6.83	6.33	6.03	5.08
DEPARTMENT TOTAL	31.00	30.50	30.50	28.50
<b>BUSINESS &amp; ECONOMIC DEVELOPMENT</b>				
Business Development	5.50	5.50	5.50	5.50
Workforce Development	19.00	18.05	18.05	16.64
DEPARTMENT TOTAL	24.50	23.55	23.55	22.14

**CITYWIDE PERSONNEL SUMMARY**  
**Fulltime, Permanent Positions**

Department/Division	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>FIRE DEPARTMENT</b>				
Fire Administration	3.00	4.50	3.50	3.50
Firefighting Operations	130.00	130.00	132.00	132.00
Life Safety	10.00	10.00	11.00	11.00
DEPARTMENT TOTAL	143.00	144.50	146.50	146.50
<b>POLICE DEPARTMENT</b>				
Administration, Investigative, Patrol	178.50	180.50	184.14	182.14
Parking	8.00	9.00	9.00	9.00
DEPARTMENT TOTAL	186.50	189.50	193.14	191.14
<b>PUBLIC WORKS &amp; UTILITIES</b>				
Public Works Operations				
Director's Office	0.40	0.40	0.40	0.40
Street Maintenance	45.00	45.00	45.50	44.50
Engineering	16.05	16.25	16.25	15.45
Public Works Subtotal	61.45	61.65	62.15	60.35
Utilities Operations				
Water	57.03	54.70	58.00	56.85
Gas	71.62	74.45	76.75	77.90
Sewer	36.93	35.80	33.15	34.65
Stormwater	26.87	27.30	25.85	23.15
Street Lighting	5.10	5.10	5.10	5.10
Utilities Subtotal	197.55	197.35	198.85	197.65
DEPARTMENT TOTAL	259.00	259.00	261.00	258.00
<b>TOTAL CITY EMPLOYEES</b>	<b>856.25</b>	<b>862.30</b>	<b>870.69</b>	<b>853.78</b>

# City of Duluth Strengths, Challenges, and Opportunities

Thanks to the talent and dedication of City staff and in cooperation with community partners, we are not only able to strategically plan for challenges but also make progress on the larger goals of economic growth and fiscal health. Heading into 2018, the City staff are working diligently to capitalize on the City's numerous strengths while strategically planning to solve the City's challenges.

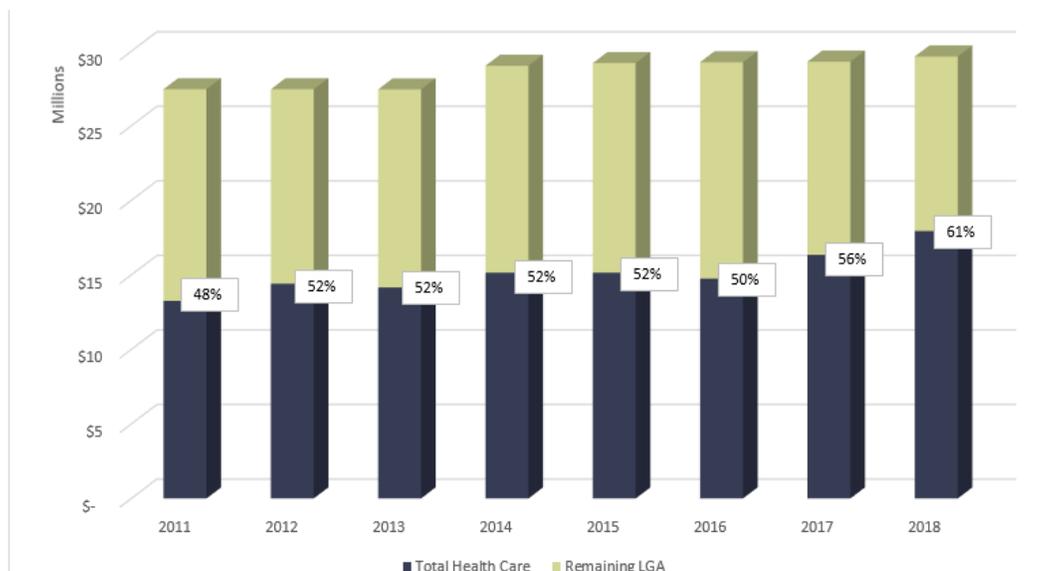
## Strengths:

- For 2018, Duluth's net tax capacity grew by 4.45% indicating a strong resurgence in real estate values post-recession. The City continues to work with developers to finalize proposed development agreements and construction plans.
- The November ballot included a referendum to increase the City sales tax an additional ½ percent to fund street improvements. The referendum passed with an overwhelmingly supportive vote of 77% in favor of the additional ½ percent sales tax. If the sales tax increase is approved by the Legislature, the ½ percent sales tax will generate approximately \$7 million annually, more than tripling what the City currently spends on streets.
- The Norshor Arts Center restoration was completed in December of 2017. \$29 million was invested in the historical landmark in downtown Duluth to provide a much needed mid-sized venue that will offer a state-of-the-art facility for national, regional, and local performers. The Norshor Theatre will bring economic growth and development to the City as well as an enhanced quality of life for residents.
- Aviation contributes \$646 million to the regional economy. In December 2016, Cirrus Aircraft Corp completed its 68,000 square foot finishing center in Duluth and delivered the world's first single-engine personal jet. The aircraft expansion project cost over \$16 million and created 150 new jobs. Aviation supports 3,451 jobs and has grown 39% in the past decade.
- In 2016, Maurices completed the biggest downtown development in Duluth's history. The new \$80 million Maurices headquarters opened to include 200,000 square feet of office space.

- The port of Duluth-Superior is a backbone of our economy. Approximately 30 million tons of cargo are shipped annually. \$1.5 billion in business revenue is generated from shipping. Shipping generates \$156 million in state and local sales taxes, as well as 11,500 jobs and \$545 million in payroll.
- Duluth continues to be a top tourist destination. 6.7 million tourists visit Duluth each year accounting for an economic impact of over \$950 million.
- Duluth is rapidly becoming known as one of the premier outdoor and trails cities in the country, a designation that is attracting new visitors and generating additional economic development opportunities. The City of Duluth provides 129 municipal parks with a total of 6,834 acres of city parkland. The City provides 150 miles of unpaved hiking trails, 85 miles of bike-optimized, multi-use trails, and 12 miles of paved, accessible trails.
- Standard & Poors and Moody's recognized Duluth's fiscal discipline and financial health in their latest reports and renewed the City of Duluth's AA and Aa2 bond ratings with a stable outlook.

### Challenges:

- The general fund continues to face an ongoing, structural imbalance of expenses and revenues. Health care is the most volatile cost driver. When health care is compared with our largest general fund revenue source, local government aid (LGA), health care consumes a larger majority of the budget each year because LGA does not grow with inflation to help absorb the increased costs.



- Despite being a less populated county compared to its metro counterparts, St Louis County represents the second highest county for heroin and opioid overdose deaths. St Louis County had 13 deaths per 100,000 residents in 2016. Opioid overdoses have increased by 519 percent since 2013. The Duluth Police Department continues to partner with law enforcement agencies to search, seize, and arrest drug traffickers.
- As the local economy continues to expand, hundreds of new jobs are being created. We are now seeing signs of population growth that Duluth has not seen in over 60 years. With this growth comes a new set of challenges including housing, workforce recruitment, and growing income inequality. These challenges are closely interconnected and we will address them concurrently and proactively.
- As the City develops its wide ranging outdoor Parks and trails systems, we recognize the need to provide corresponding resources to maintain and protect these new amenities, as well as our longstanding existing parks and trails.

- **Street and Road System**

The condition of Duluth's street and road system remains one of the biggest unmet challenges. In early 2016, the Duluth City Council approved a settlement agreement between the City and the Fond Du Lac Band of Lake Superior Chippewa. The settlement agreement resolved all of the outstanding litigation between the City and The Band. Prior to the litigation, the City was receiving annual casino rent payments of approximately \$6 million that was dedicated to a street improvement program. The settlement agreement now provides for an annual payment to the City of \$150,000 for city services.

Given the resource limitations of the City to fund street improvements, the November 2017 ballot included a sales tax referendum asking voters to consider increasing the City of Duluth local sales tax by ½ percent to be dedicated to fund street improvements. The voters of Duluth showed their support for an increased local sales tax with an overwhelming 77 percent favorable vote. The sales tax increase must be approved by the Legislature in order for it to take effect.

We made significant progress on our road system given the severe limitations on available resources for street funding, but the essence of the problem remains. Given the resource limitations we face; we are focusing on maintaining the system we have today rather than rebuild new street sections in 2018. Duluth taxpayers gain a much greater benefit per dollar

expended through maintenance measured by total miles of improved road surface than by expending the limited resources available on full resurfacing or reconstruction. Ultimately our roads will need to be fully rehabilitated to gain long-term benefit and cost effectiveness. Until the Legislature approves the ½ percent local sales tax increase, utilizing the bulk of the tax levy dollars dedicated for street improvements that are not needed for street debt repayment, for enhanced street maintenance is the most beneficial use. Included in the 2018 tax levy is a one-million-dollar increase for street improvements.

- **Housing**

Rising housing demand coupled with inadequate new housing starts has brought us to the verge of a housing crisis. Because housing supply has not kept up with demand, we see a lack of quality options for new residents, increased rents on substandard housing, and increased conversions of single family homes into rental units.

To meet rising demand, we must add 1,000 new or fully renovated units by the end of 2018; and a total 2,300 by 2020. We must increase availability of housing options including senior housing, multi-family units, micro apartments, as well as new single family homes. We must also address perceived barriers to investment including availability of building sites, cost of construction, and access to financing.

- **Workforce**

Across the county, workforce availability is becoming a significant challenge in many industries. This new reality represents an historic opportunity to bring new jobs to Duluth and give our local employers a huge advantage over their competition. By coordinating training partnerships between employers, area schools, and colleges, we can demonstrate real value to employers by effectively meeting their skill needs. Best of all, by meeting these needs, we give our young people the opportunity to step into great paying careers right here in Duluth.

- **Inequality**

Perhaps the most important reason to be intentional and proactive in regards to workforce challenges are the related issues of poverty and income inequality which continues to burden our community and the nation. We must build better pathways to help people in poverty to grow the skill sets needed by employers so they can create a better life for themselves and their families while making positive contributions to our community.

We must proactively engage with the labor community, especially the building trades, to ensure that we are developing a deep bench of trained and qualified workers. We must proactively engage with communities of color and ensure every resident has equal access to opportunities. We must proactively engage with local schools, colleges and universities to ensure the skills they are teaching match the needs of our employers. We can't guarantee success for anyone – but we should be able to guarantee everyone has equal access to opportunities in Duluth.

Duluth's reputation is improving as a "can do" city that tackles its toughest problems. In 2014, Minnesota's Leaders in Public Policy named the City of Duluth their Local Government of the Year.

Our success in solving problems is now creating exciting new opportunities.

#### **Opportunities:**

- In 2018, the City of Duluth will use general fund reserves to invest as a commercial tenant in the Minnesota Power Community Solar Garden. The community solar garden is a solar array that is divided into 1 kW blocks that customers can subscribe to in order to meet part or all of their energy needs. Solar garden subscribers receive credit for the energy produced from their subscription with their monthly billing and be able to enjoy the benefits of solar energy without needing to install a system. This investment is estimated to save a conservative \$2 million for the City over the course of the 25-year agreement.
- To facilitate in resolving the City's fiscal challenge of the structural imbalance between revenues and expenses, the City of Duluth is participating in Priority Based Budgeting for the 2019 budget cycle. Priority Based Budgeting (PBB) is a process which links budget decisions to the strategic results and outcomes that the organization wishes to achieve for the long term. PBB is a strategy for allocating resources according to how effectively the program or service meets the goals and objectives that are of greatest value to the community. The PBB process will include input from the public to assist with defining community results.

Over five years of planning has gone into developing the St Louis River Corridor and the exciting opportunities are now ready to come to life.

- **A Healthy River - A Healthy Future**

Residents of the St. Louis River Corridor value their unique and distinctive living experiences. Many of the neighborhoods in the corridor feel like small close-knit villages rather than urban neighborhoods, fostering a strong sense of belonging and pride by residents.

- **Lincoln Park – West Duluth – Irving – Fremont – Fairmont – Norton Park – Smithville – Riverside – Morgan Park – Gary New Duluth – Fond Du Lac**

Each of the neighborhoods features distinctive strengths. The common thread is access to an amazing natural resource which is too often overlooked in Duluth – the St. Louis River. There's no question that if not for Lake Superior, Duluth would be defined as a river city.

- **St. Louis River Corridor – Visioning and Recent/Upcoming Progress**

In June of 2009, a 'St. Louis River Summit' was organized which brought together 70 stakeholders to develop a comprehensive vision for the area. The lively discussion focused on both big ideas on vision for the area, as well as practical project oriented initiatives.

From the discussion, seven working groups continued the conversation creating specific action plans which have inspired some amazing initiatives and projects. Implementation started slowly but is now gaining speed. The St. Louis River corridor can be a perfect case study on how a community can successfully weave together residential, industrial, recreational and environmental considerations with each component enhancing and supporting the others for the benefit of the entire community and region. The river is the thread that pulls all these unique attributes together.

- **St. Louis River Corridor – Environmental Stewardship**

The St. Louis River was once in dire condition. The health of the eco-system compromised the water, the river bed and surrounding land laden with toxic remnants of a heavy industrial history. The river has required many years of intensive remediation, a major shift of common practices and a commitment to stewardship by the whole community. Because of these efforts, the St. Louis River is again a place to fish, kayak and take in a beautiful riverfront.

An even more aggressive cleanup effort is planned over the next ten years. The St. Louis River estuary was designated as an area of concern in 1989 as one of the 43 most polluted sites across the Great Lakes. Today we have committed to de-listing the area of concern by the year 2025. In doing so, we'll have achieved the largest and most significant de-listing in North America and the most significant environmental accomplishment in the history of our city.

The environmental health of the river is key to the broader vision that is emerging - both to enhance the practical use of the river for fishing and recreation, but equally important to celebrate our stewardship. The environmental damage of the river has historically been a source of embarrassment but now we have committed to a nationally significant project that reflects our common commitment to protect the freshwater resource that we are blessed with.

- **St. Louis River Corridor – Infrastructure Improvements**

No area of the city has seen more public investment than the St. Louis River corridor. This investment in infrastructure is the foundation for private investment and job growth that we want to encourage. Key investments have included critical street and utility improvement projects, parks and trails, schools, environmental cleanup of brownfields and extending public infrastructure to foster industrial development sites.

- **St. Louis River Corridor – Jobs and Economy**

When our vision comes to life, the St. Louis River corridor will see tremendous job growth across multiple sectors with exciting opportunities to create light industrial and skilled manufacturing jobs. This area offers amazing strengths as a modern industrial park including over 1,000 acres of potential industrial sites; extensive under-utilized utility infrastructure; shipping capacity and waterfront industrial sites; extensive rail availability; and a skilled, loyal workforce that continues Duluth's proud industrial heritage.

The City, DEDA and the Port Authority have been working closely with State, Federal and private partners to make some very aggressive moves to clean up old industrial land to make it project ready for industrial expansion. In the past decade over \$20 million has been invested in acquisition, environmental cleanup and new infrastructure. These efforts prove that job growth and environmental stewardship can go hand in hand. An abundance of project ready sites greatly strengthens our business recruitment efforts to bring new manufacturing jobs to Duluth.

- **St. Louis River Corridor – Tourism**

Another element of economic revitalization is to make the St. Louis River an outdoor recreation and environmental education destination. Just as Canal Park has become a premier tourist destination in Minnesota, the St. Louis River recreation hub will become Duluth's next great visitor experience bringing millions of dollars into our local economy and greatly enhancing amenities for residents of the surrounding neighborhoods.

Spirit Mountain, Lake Superior Zoo and Indian Point Campground components serve as focal points for the outdoor recreation hub. Our goal is to make a seamless, well integrated family experience using the amazing natural attributes of the three sites. A world class trail system and significantly improved river access linking these sites to one another and to the broader surroundings will provide days-worth of activities to people of all ages and abilities. The most exciting aspect of this new recreation and education hub is it features fun, healthy, inexpensive and in many cases, free options for folks to get out and experience that natural beauty of the area. Instead of spending millions to build tourist attractions, we will invest in quality experiences that can be enjoyed by both visitors and locals.

- **St. Louis River Corridor – Looking Forward with Housing Initiatives and Neighborhoods**

In other parts of the country, people pay millions to have access to resort towns. Along the St. Louis River, residents have opportunities to canoe and kayak, ski, mountain bike, snowmobile, fish and hunt, and have world class trails right outside their back door.

Demographic studies show the St. Louis River neighborhoods are aging quickly and we must be deliberate about creating market demand for housing. This will inspire a new generation of home buyers to choose these neighborhoods. It should be our common goal for when a young family moves to our town, local realtors are sure to show homes along the corridor because of the wealth of outdoor experiences in these close-knit, affordable neighborhoods.

Fifteen years ago, Lakeside and Lester Park neighborhoods faced the same demographics challenge. A large percent of those homes were owned by seniors. Today, the neighborhoods are booming and have become a magnet for young families. As our economy grows, we have the same opportunity in the St. Louis River neighborhoods. This is our moment to create a vibrant future for these neighborhoods and for Duluth.

### **City of Duluth Financial Principles**

The 2018 budget continues the application of strong and consistent financial principles that have been utilized to improve and strengthen the City's financial health and create budget stability over the past eight years. These principles have provided the foundation to our short and long-term financial planning and have helped the City dramatically improve its financial health during a very

turbulent and challenging period. These principles include:

- **Budget Discipline** – that discipline encompasses several ideas including conservative revenue expectations, making difficult spending prioritization decisions, applying zero based budget concepts, aggressively challenging existing budget assumptions and emphasizing the need for spending rationales or return on investment analysis, tightly managing staffing level fluctuations and individual hiring decisions and creating a culture of budget accountability.
- **Organizational and Process Reengineering** - means striving toward a culture of every employee thinking, “How can I do things better and more efficiently today?” This culture focuses on identifying the organization's core competencies and seeks out improvements in operational efficiency and effectiveness by the constant reassessment of processes and procedures, the targeted application of technology and appropriate optimization of attrition opportunities.
- **Willingness to Seek Strategic Solutions to Financial Opportunities** – look for opportunities to bring about change to major assumptions, programs or structural impediments to improve or secure long-term financial security. Examples include the restructuring of our retiree health care program, creative conversion of the over-65 plan to a Medicare supplement, creation and funding of an OPEB trust to finance long-term retiree costs, reduction of general fund revenue volatility and professionalizing the management of our enterprise fund operations.
- **Focus on Debt Management** – through judicious use of borrowing, attention to interest rate opportunities, taking a rainy day approach to the use of windfalls or other significant proceeds realizations and jealously protect the City’s bond rating.
- **Seek Out the Best Employees** – both internally and externally. Be willing to look out of the box in the search for new talent with unusual or non-standard backgrounds. Provide opportunities for internal staff to move up or across existing job channels to realize their full potential. Utilize attrition to improve the team’s capabilities and capacity whether from external or internal talent.

# BUDGET HIGHLIGHTS

## BUDGET PROCESS

The budget process began with Mayor Emily Larson presenting the proposed general fund budget and tax levy to the City Council on August 14, 2017. The City Council approved the proposed maximum tax levy on September 25, 2017. Finance committee meetings were scheduled in August, September, October, November, and December where City departments and authorities presented their budgets as well as strengths, opportunities, and future challenges. On December 4, 2017 a truth in taxation hearing was held in the Duluth City Council Chambers at 7:00 pm to allow citizens time for public comment and questions. The final 2018 budgets, budget appropriations, tax levies, capital improvement plan, and bonding intent and plan were approved by Council on December 4, 2017.

## BUDGET CALENDAR

### BUDGET TRAINING

If you are in need of training on the New World budget system or need a refresher on "how to" please contact the Budget Office. Sessions will be scheduled as needed/requested.

### DEPARTMENT BUDGET DEVELOPMENT AND SUBMISSION

We will be using the City's financial management system, New World, to develop and submit 2018 budget proposals. Instructions will be emailed, as well as available as a document attachment of the Budget Accounts screen in the system. Divisions/Departments are asked to submit staffing requests, expense proposals, and revenue estimates per these instructions. Due dates by fund type are as follows:

#### DEPARTMENTS:

May 31	General Fund Revenues due
TBD	General Fund Expenses due
Sept 1	PW Utilities Funds, Parks Fund, Parking Fund Budget Forms due
Sept 15	Special Revenue Funds, Internal Service Funds, Debt, Capital Funds due

#### ADMINISTRATIVE BUDGET REVIEWS

Week(s) of:	
June 5	General Fund Revenue budget proposals
Aug /Sept	General Fund Expense budget proposals
Aug 28	Fleet budget proposal
Sept 5	Utility Funds, Parks Fund, Parking Fund budget proposals

#### FEE SCHEDULE

Aug 4	Fee schedule with IPD distributed to divisions
Aug 23	Fee schedule due back from divisions
Week of Aug 28	Fee schedule administrative review meetings
October	Fee schedule and resolution to Council

#### CAPITAL BUDGETS

Aug 18	Instructions and packets sent out to departments
Week of Sept 18	CIP and CEP administrative review meetings
Oct-Nov	Capital Improvement presentation to City Council

#### MAYOR'S BUDGET PRESENTATION to COUNCIL

August	2018 Proposed General Fund budget and tax levy presentation to Council
Sept 25	Council sets preliminary budget and maximum property tax levy
Sept 30	2018 proposed budget book for all funds published on website

#### COUNCIL BUDGET REVIEW

Aug-Dec	Schedule set by Council Finance Chair
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#### PROPOSED TRUTH IN TAXATION MEETINGS

Dec. 4	Truth in Taxation Hearing
Dec. 11	Council approves final budget and levy

## PROPERTY TAX LEVY REVENUES

The City's final property tax levy (not including the Parks referendum levy) certified to the County was \$28,040,592; an increase of 10.19% over the 2017 levy.

The City's levy breakdown is shown below along with the impact on the average homeowner.

### 2018 Approved Property Tax Levy

	2017 Approved Levy	2018 Approved Levy	Change In Levy	% Change in Total City Levy
<b>General Operations Levy</b>				
General Operations	\$ 14,628,200	\$ 16,220,400	\$ 1,592,200	6.26%
Provision for Tax Delinquency	\$ 150,000	\$ 150,000	\$ -	-
<b>Total General Operations Levy</b>	<b>\$ 14,778,200</b>	<b>\$ 16,370,400</b>	<b>\$ 1,592,200</b>	<b>6.26%</b>
<b>Capital Projects Levy</b>				
Debt Service	\$ 6,832,600	\$ 6,832,600	\$ -	0.00%
Infrastructure Permanent Improvements	\$ 280,000	\$ 280,000	\$ -	-
<b>Total Capital Projects Levy</b>	<b>\$ 7,112,600</b>	<b>\$ 7,112,600</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Street Light Levy</b>	<b>\$ 757,592</b>	<b>\$ 757,592</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Street Maintenance Utility Levy</b>				
Street Maintenance Utility Levy	\$ 2,800,000	\$ 2,800,000	\$ -	0.00%
Street Maintenance Utility Levy 2018	\$ -	\$ 1,000,000	\$ 1,000,000	3.93%
<b>Total Street Maintenance Utility Levy</b>	<b>\$ 2,800,000</b>	<b>\$ 3,800,000</b>	<b>\$ 1,000,000</b>	<b>3.93%</b>
<b>Total City Property Tax Levy</b>	<b>\$ 25,448,392</b>	<b>\$ 28,040,592</b>	<b>\$ 2,592,200</b>	<b>10.19%</b>
<b>Parks Referendum Levy</b>	<b>\$ 2,600,000</b>	<b>\$ 2,600,000</b>	<b>\$ -</b>	<b>0.00%</b>
<b>Property Tax Value Growth</b>			<b>\$ 1,131,100</b>	<b>4.45%</b>
<b>Proposed City Levy Tax Impact</b>			<b>\$ 1,461,100</b>	<b>5.74%</b>

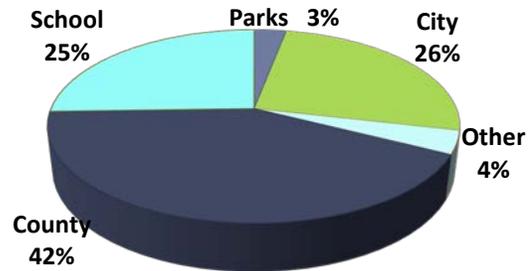
### INCREASE IN AVERAGE HOMESTEAD (\$177,000) ANNUAL CITY PROPERTY TAX BILL

2017 City Property Taxes	\$ 661
2018 Property Taxes as Approved	\$ 691
<b>Approved Annual Increase</b>	<b>\$ 30</b>

In addition, the City, on behalf of city authorities and voter approved referendum, approved levy requests as follows: The **Duluth Transit Authority** in the amount of \$1,491,900; the **Housing and Redevelopment Authority** in the amount of \$1,063,920; and **Parks Fund** in the amount of \$2,600,000 as approved in a voter referendum. These levies are separate on the property tax statement and are not included in the city levy.

**Property tax bills for Duluth residents** are comprised of the taxes levied for the City of Duluth, St. Louis County, the School District, the Parks Fund, and several other smaller taxing districts. The City's portion is 29% of the total. The chart below shows an average resident's property tax bill with the breakdown by taxing entity.

Taxing Entity	2018 Property Taxes	
City of Duluth (incl. Parks)	\$ 691	29%
St. Louis County	\$ 1,017	42%
School District 709	\$ 616	25%
Other Entities	\$ 94	4%
<b>Total Average Bill</b>	<b>\$ 2,418</b>	<b>100%</b>



\*Based on Market Value of \$177,000

### Answers to other property tax questions you may have...

#### **What is the purpose of the Truth in Taxation Public Hearing?**

The truth in taxation hearing is an opportunity for the public to provide comment on the City's proposed budget and property tax levy for the year 2018 prior to its approval.

#### **How do I read my Truth in Taxation Statement I received in the mail?**

The statement is a comparison of your actual 2017 tax bill with the proposed tax bill for 2018. The numbers are based on the property tax levy proposals by St. Louis County, the School District, other taxing districts, as well as the City of Duluth. It also factors in any changes in your property's market value and tax rate classification. The County mails these statements out to individual property owners to show the impact of all property tax proposals on a resident's tax.

#### **Who can I talk to about my property's market value?**

The St. Louis County Assessor's Office can answer your questions about market value. The Assessor's Office telephone number is 218.726.2300. Also, you can search for properties, access property related information, and view frequently asked questions on the St. Louis County website: <http://www.stlouiscountymn.gov/LANDPROPERTY/Taxes> .

#### **What services do property taxes fund?**

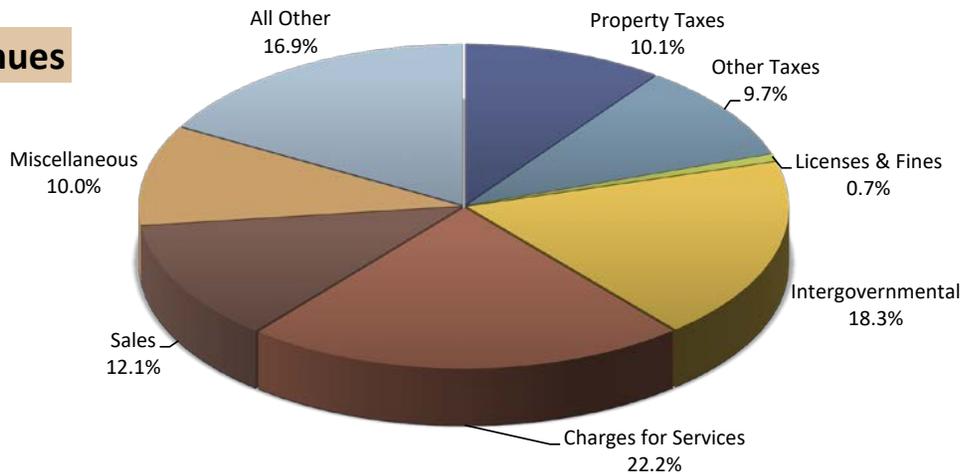
Approximately 14 percent of the City property tax levy goes to the Street Maintenance Utility fund to fund street improvements. Approximately 25 percent goes to fund debt service on capital improvements, equipment and neighborhood street improvements. 3 percent of the levy goes to the Street Light Utility fund. The remaining 58 percent goes into the City's General Fund to pay for services such as police, fire, libraries, planning and zoning, and street maintenance. For 2018, the portion of the City's general services paid for with property taxes is a little over \$16 million or 19 percent of total general services. To put the amount into perspective, this does not even cover the Fire Department's 2018 funding requirements.

#### **If property taxes only cover 19% of the cost of city services, what other sources of revenue fund the City's General Fund?**

The General Fund revenues include over 200 separate sources. The largest single source of revenue is Local Government Aid from the State of Minnesota at \$29 million or 35% of total general fund revenue. City Sales Tax contributes \$13 million or 16% of total general fund revenue.

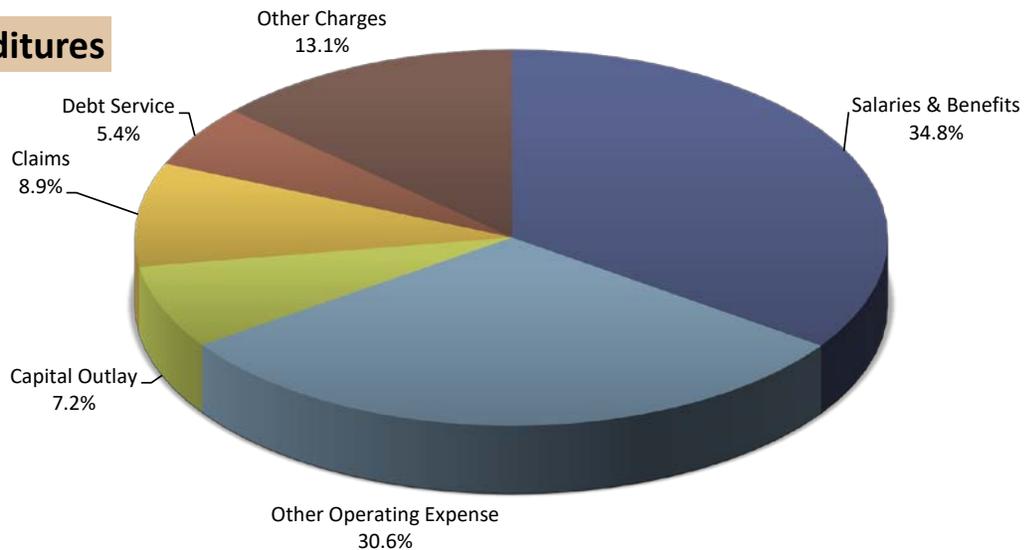
# TOTAL APPROVED CITY OF DULUTH BUDGET

## 2018 Revenues



REVENUES:	2015 Actual	2016 Actual	2017 Budget	2018 Approved
Property Taxes	22,718,043	24,261,832	28,048,400	30,640,600
Other Taxes	26,612,198	26,826,512	30,273,200	29,688,800
Licenses & Fines	2,264,217	2,265,684	1,922,700	2,160,900
Intergovernmental	50,265,212	50,615,805	51,287,443	55,860,518
Charges for Services	64,442,118	64,167,004	67,281,527	67,651,331
Sales	34,080,384	29,663,962	35,702,900	36,809,900
Miscellaneous Revenue	43,258,062	36,053,159	29,835,990	30,545,871
All Other Sources	45,052,159	75,231,408	45,705,042	51,502,082
<b>TOTAL REVENUES</b>	<b>288,692,393</b>	<b>309,085,366</b>	<b>290,057,202</b>	<b>304,860,002</b>

## 2018 Expenditures



EXPENDITURES	2015 Actual	2016 Actual	2017 Budget	2018 Approved
Salaries & Benefits	90,208,826	94,198,283	97,805,979	102,450,092
Other Operating Expense	80,809,355	80,395,074	86,691,654	90,135,876
Capital Outlay	12,665,118	12,338,024	15,770,500	21,176,300
Claims	11,989,092	15,152,433	25,734,343	26,296,261
Debt Service	20,698,322	54,329,714	18,096,400	15,785,300
Other Charges	35,763,375	39,876,671	38,538,397	38,959,417
<b>TOTAL EXPENDITURES</b>	<b>252,134,088</b>	<b>296,290,199</b>	<b>282,637,273</b>	<b>294,803,246</b>

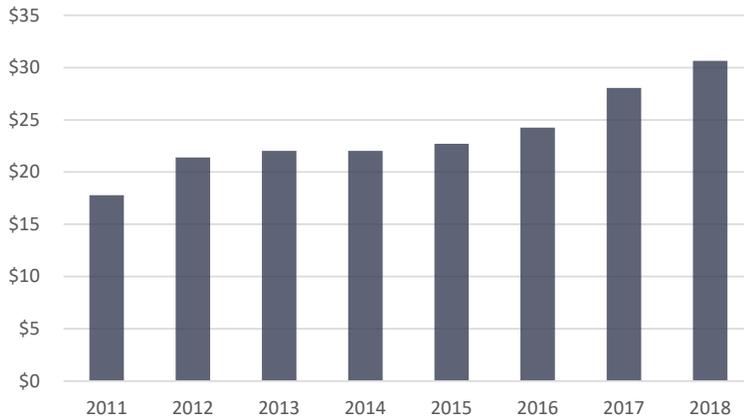
## TOTAL APPROVED CITY OF DULUTH 2018 BUDGET

REVENUE COMPARISON	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference 2018-2017
<b>CURRENT PROPERTY TAXES</b>					
General Fund	13,042,989	14,155,360	14,778,200	16,370,400	1,592,200
Special Revenue Funds	2,608,789	2,608,208	5,400,000	6,400,000	1,000,000
Debt Service Funds	6,565,982	6,573,311	6,832,600	6,832,600	-
Capital Project Funds	279,989	280,067	280,000	280,000	-
Enterprise Funds	220,293	644,886	757,600	757,600	-
Total Current Property Taxes	<u>22,718,043</u>	<u>24,261,832</u>	<u>28,048,400</u>	<u>30,640,600</u>	<u>2,592,200</u>
<b>OTHER TAXES</b>					
General Fund	15,966,711	15,481,603	18,246,700	17,816,100	(430,600)
Special Revenue Funds	10,645,487	11,344,909	11,677,100	11,523,300	(153,800)
Debt Service Funds	-	-	349,400	349,400	-
Total Other Taxes	<u>26,612,198</u>	<u>26,826,512</u>	<u>30,273,200</u>	<u>29,688,800</u>	<u>(584,400)</u>
<b>LICENSES &amp; FINES</b>					
General Fund	2,264,217	2,265,684	1,922,700	2,160,900	238,200
Total Licenses and Fines	<u>2,264,217</u>	<u>2,265,684</u>	<u>1,922,700</u>	<u>2,160,900</u>	<u>238,200</u>
<b>INTERGOVERNMENTAL</b>					
General Fund	33,508,791	34,607,910	33,271,300	33,669,000	397,700
Special Revenue Funds	9,347,132	11,334,351	9,951,143	11,295,018	1,343,875
Debt Service Funds	-	-	-	-	-
Capital Project Funds	7,409,289	4,673,544	8,065,000	10,896,500	2,831,500
Total Intergovernmental	<u>50,265,212</u>	<u>50,615,805</u>	<u>51,287,443</u>	<u>55,860,518</u>	<u>4,573,075</u>
<b>CHARGES FOR SERVICES</b>					
General Fund	5,565,237	4,968,006	5,339,100	5,575,100	236,000
Enterprise Funds	55,468,481	55,898,739	57,874,127	58,002,164	128,037
Internal Service Funds	3,408,400	3,300,259	4,068,300	4,074,067	5,767
Total Charges for Services	<u>64,442,118</u>	<u>64,167,004</u>	<u>67,281,527</u>	<u>67,651,331</u>	<u>369,804</u>
<b>SALES</b>					
Enterprise Funds	34,080,384	29,663,962	35,702,900	36,809,900	1,107,000
Total Sales	<u>34,080,384</u>	<u>29,663,962</u>	<u>35,702,900</u>	<u>36,809,900</u>	<u>1,107,000</u>
<b>MISCELLANEOUS REVENUE</b>					
General Fund	1,255,316	1,445,872	1,516,800	1,383,600	(133,200)
Special Revenue Funds	23,206,831	28,357,910	23,983,580	24,189,653	206,073
Debt Service Funds	219,253	189,948	238,800	222,300	(16,500)
Capital Project Funds	16,190,885	2,217,949	1,935,850	2,379,941	444,091
Internal Service Funds	2,385,777	3,841,480	2,160,960	2,370,377	209,417
Total Miscellaneous Revenue	<u>43,258,062</u>	<u>36,053,159</u>	<u>29,835,990</u>	<u>30,545,871</u>	<u>709,881</u>
<b>ALL OTHER SOURCES</b>					
General Fund	7,876,783	7,667,342	7,502,500	8,974,300	1,471,800
Debt Service Funds	14,680,429	50,661,379	8,347,600	7,773,800	(573,800)
Capital Project Funds	675,834	2,185,073	4,215,000	6,701,300	2,486,300
Enterprise Funds	8,949,170	3,106,493	1,313,540	1,738,735	425,195
Internal Service Funds	12,869,943	11,611,121	24,326,402	26,313,947	1,987,545
Total All Other Sources	<u>45,052,159</u>	<u>75,231,408</u>	<u>45,705,042</u>	<u>51,502,082</u>	<u>5,797,040</u>
<b>TOTAL REVENUES</b>	<b>288,692,393</b>	<b>309,085,366</b>	<b>290,057,202</b>	<b>304,860,002</b>	<b>14,802,800</b>

## TOTAL APPROVED CITY OF DULUTH 2018 BUDGET

EXPENDITURE COMPARISON	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference 2018-2017
<b>SALARIES &amp; EMPLOYEE BENEFITS</b>					
General Fund	56,203,020	59,039,042	60,887,500	63,475,000	2,587,500
Special Revenue Funds	13,922,162	13,593,601	13,957,679	15,054,492	1,096,813
Enterprise Funds	17,991,154	19,134,886	20,712,800	21,599,500	886,700
Internal Service Funds	2,092,490	2,430,755	2,248,000	2,321,100	73,100
Total Salaries & Employee Benefits	<u>90,208,826</u>	<u>94,198,283</u>	<u>97,805,979</u>	<u>102,450,092</u>	<u>4,644,113</u>
<b>OTHER OPERATING EXPENSE</b>					
General Fund	19,654,764	21,679,900	21,381,200	22,125,900	744,700
Special Revenue Funds	4,644,852	5,550,495	6,165,158	7,902,898	1,737,740
Enterprise Funds	52,077,671	48,924,409	54,413,597	55,293,718	880,121
Internal Service Funds	4,432,068	4,240,270	4,731,699	4,813,360	81,661
Total Other Operating Expense	<u>80,809,355</u>	<u>80,395,074</u>	<u>86,691,654</u>	<u>90,135,876</u>	<u>3,444,222</u>
<b>CAPITAL OUTLAY</b>					
General Fund	381,402	308,321	308,500	348,500	40,000
Capital Project Funds	12,283,716	12,029,703	15,462,000	20,827,800	5,365,800
Total Capital Outlay	<u>12,665,118</u>	<u>12,338,024</u>	<u>15,770,500</u>	<u>21,176,300</u>	<u>5,405,800</u>
<b>CLAIMS</b>					
Internal Service Funds	11,989,092	15,152,433	25,734,343	26,296,261	561,918
Total Claims	<u>11,989,092</u>	<u>15,152,433</u>	<u>25,734,343</u>	<u>26,296,261</u>	<u>561,918</u>
<b>DEBT SERVICE</b>					
Debt Service Funds	20,698,322	54,329,714	18,096,400	15,785,300	(2,311,100)
Total Debt Service	<u>20,698,322</u>	<u>54,329,714</u>	<u>18,096,400</u>	<u>15,785,300</u>	<u>(2,311,100)</u>
<b>OTHER CHARGES</b>					
Special Revenue Funds	24,279,174	27,900,863	25,613,139	25,852,239	239,100
Enterprise Funds	11,484,201	11,975,808	12,925,258	13,107,178	181,920
Total Other Charges	<u>35,763,375</u>	<u>39,876,671</u>	<u>38,538,397</u>	<u>38,959,417</u>	<u>421,020</u>
<b>TOTAL EXPENDITURES</b>	<b>252,134,088</b>	<b>296,290,199</b>	<b>282,637,273</b>	<b>294,803,246</b>	<b>12,165,973</b>

**Certified Property Tax Levy (in millions)**



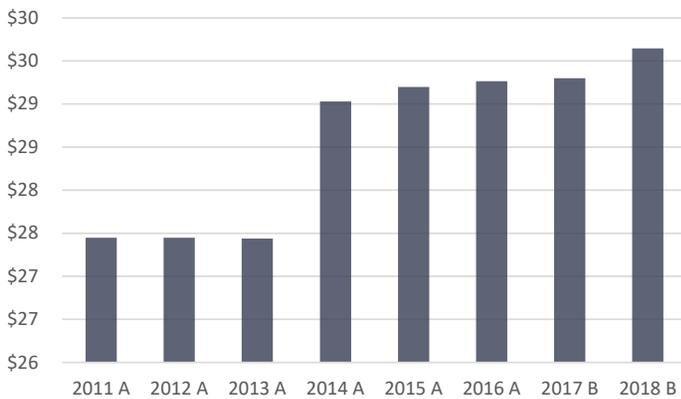
Year	Tax Levy in millions
2011	\$17.79
2012	\$21.41
2013	\$22.04
2014	\$22.04
2015	\$22.72
2016	\$24.26
2017	\$28.05
2018	\$30.64

**Description and 2018 Budget**

Property taxes are levied against property based on their assessed value and classification in accordance with State Statute. Total market values within the City have increased. Estimated market value and tax rates can be found in the statistical section of the Appendix section of this book.

The City of Duluth tax levy increased 10.19% over 2017; however, property tax value growth in the City was approximately 4.45% which left an overall tax levy impact of 5.74%. The 2018 property tax levy increase includes \$1.5 million, or 6.26% for general operations and an additional \$1 million, or 3.93% for streets.

**Local Government Aid (in millions)**



Year	LGA in millions
2011 A	\$27.45
2012 A	\$27.45
2013 A	\$27.44
2014 A	\$29.03
2015 A	\$29.20
2016 A	\$29.26
2017 B	\$29.30
2018 B	\$29.65

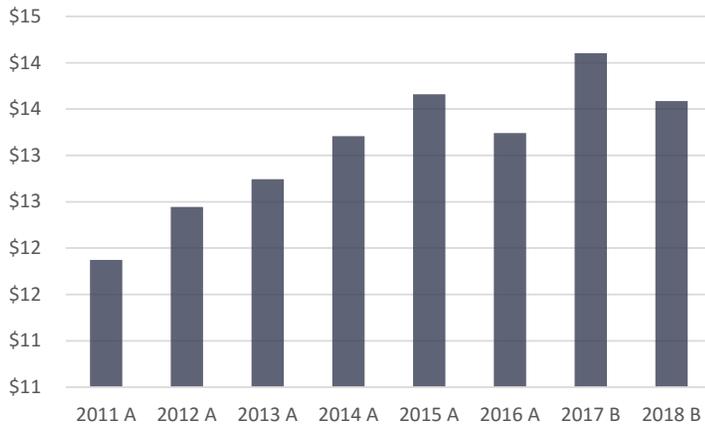
**Description and 2018 Budget**

Since its inception in 1971, state aid known as Local Government Aid (LGA) has undergone many changes. These changes include modifications to the formula, legislative cuts, and governor unallotments in times of state budget deficits. 2015 was the first year in which LGA received was comparable to 2009. From 2010 through 2014, local government aid to the City was reduced below the 2009 level. A slight increase is budgeted for 2018 with a total amount of \$29.6 million expected.

# MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

## General Sales and Use Tax

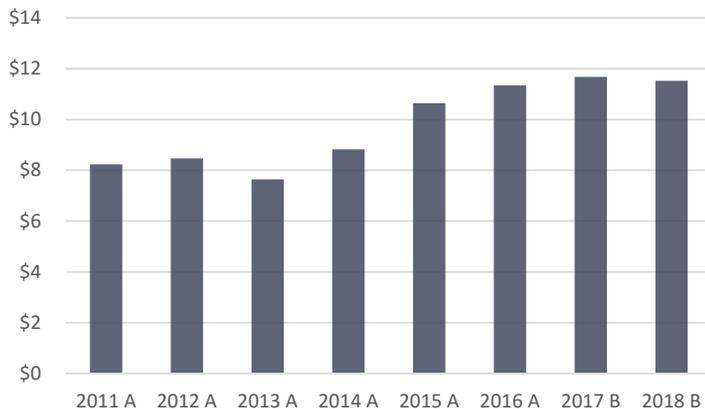


	Sales Tax in millions
2011 A	\$11.87
2012 A	\$12.44
2013 A	\$12.74
2014 A	\$13.21
2015 A	\$13.66
2016 A	\$13.24
2017 B	\$14.10
2018 B	\$13.59

### Description and 2018 Budget

General Sales and Use Tax is a one percent excise tax on gross receipts from retail sales or materials purchased for use in the City of Duluth. The tax collections do not have restrictions on use other than to fund general city services in the General Fund. Many factors have impacted this revenue stream including the State law eliminating the City's ability to charge sales tax on vehicles, the State taking over as collection agent for Duluth's sales tax, and the economy. The 2018 sales tax budget reflects a decrease under the 2017 budget to more accurately reflect current sales and use tax trends.

## Tourism Taxes (in millions)



	Tourism Taxes in millions
2011 A	\$8.24
2012 A	\$8.47
2013 A	\$7.64
2014 A	\$8.83
2015 A	\$10.64
2016 A	\$11.34
2017 B	\$11.68
2018 B	\$11.52

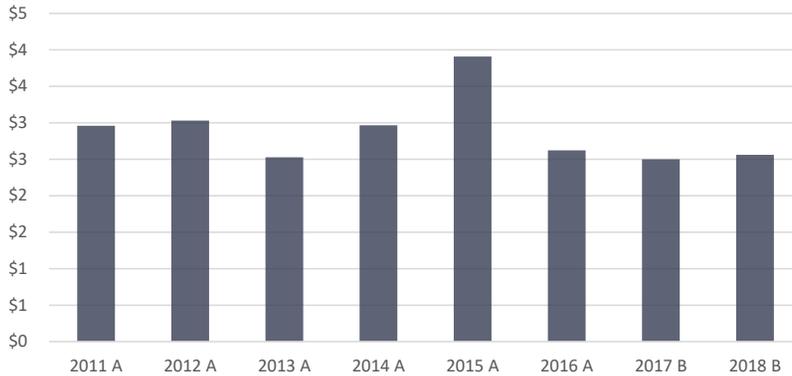
### Description and 2018 Budget

Tourism taxes are applied to food and beverage and hotel/motel sales. Revenues are recognized in the Special Revenue Fund 258 and distributed by Council action. Tourism tax revenue in 2018 is projected to decrease slightly under the 2017 budget due to local trends. In 2015, the .5% hotel/motel tax and the .5% food and beverage tax were reinstated to be used for tourist-related capital improvement bond projects along the St Louis River corridor.

## MAJOR REVENUE SOURCE ANALYSIS

(A: Actual, B: Budget)

### Gas & Steam Payment in Lieu of Taxes (in millions)



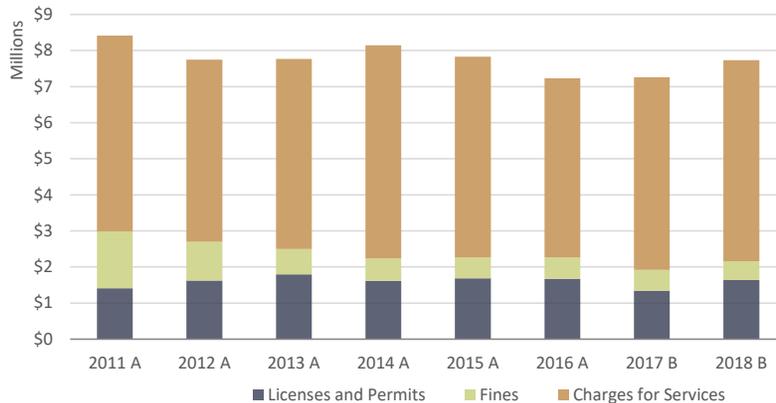
PILOT in millions

2011 A	\$2.96
2012 A	\$3.03
2013 A	\$2.53
2014 A	\$2.96
2015 A	\$3.91
2016 A	\$2.62
2017 B	\$2.50
2018 B	\$2.56

#### Description and 2018 Budget

Payment in Lieu of Taxes (PILOT) revenue is derived from payments for municipal services provided in lieu of property taxes. The largest source of PILOT revenues is from the municipal gas utility, with a minimal amount from the steam utility. Payments are based on each utility's annual gross receipts. Per City ordinance, effective January 1, 2015, gas PILOT funds are reallocated between the general fund and the street system utility fund with the base amount of \$3.6 million (increased annually to reflect the CPI-U amount) going to the general fund and the incremental gas PILOT going to the street system utility fund. Fluctuations from factors related to the prior heating season-pricing and customer usage, affect payments in lieu of taxes for both the gas utility and steam. 2018 PILOT revenues are expected to remain relatively flat.

### General Fund Licenses, Permits, Fines, Charges for Services (in millions)

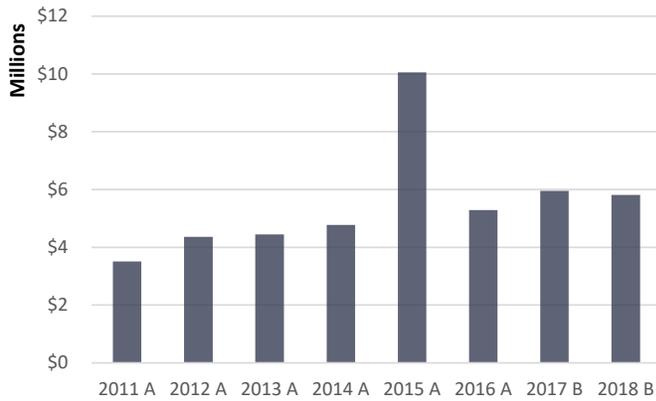


#### Description and 2018 Budget

These revenues for the city's General Fund represent a wide variety of sources such as licenses, permits, fines, forfeits, and charges for services -including fees. Fees are annually reviewed/modified by the Administration, updated for inflation (2.77% for 2018), and then submitted as a complete package to the City Council for action. This process has resulted in fees that are current and more accurately reflect the cost of providing service. 2018 budgeted licenses, permits, and charges for services increased over 2017 budget mainly due to a projected increase in multiple dwelling licenses, as well as engineering services.

	Licenses and Permits	Fines	Charges for Services	Total
2011 A	\$1.41	\$1.58	\$5.42	\$8.41
2012 A	\$1.63	\$1.08	\$5.05	\$7.75
2013 A	\$1.80	\$0.70	\$5.27	\$7.77
2014 A	\$1.61	\$0.62	\$5.91	\$8.15
2015 A	\$1.69	\$0.58	\$5.57	\$7.83
2016 A	\$1.67	\$0.59	\$4.97	\$7.23
2017 B	\$1.34	\$0.58	\$5.34	\$7.26
2018 B	\$1.64	\$0.52	\$5.58	\$7.74

Parking Funds Operating Revenue

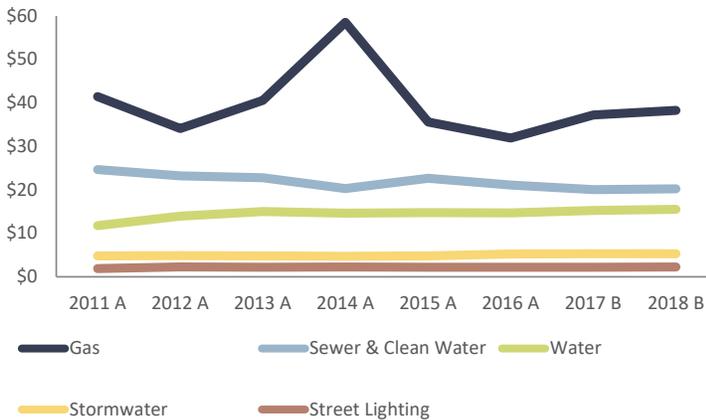


	Earnings in millions
2011 A	\$3.51
2012 A	\$4.36
2013 A	\$4.44
2014 A	\$4.77
2015 A	\$10.06
2016 A	\$5.29
2017 B	\$5.96
2018 B	\$5.81

Description and 2018 Budget

The City of Duluth parking funds account for all revenue and expenses related to the operation and maintenance of City owned parking ramps, parking lots, and parking meters - both on and off-street. The City has two parking funds; one fund to account for the financial activity of the 410 West First Street facility, and one fund to account for the financial activity of all other parking ramps, lots, and meters. 2018 parking revenues are projected to remain in-line with 2017 budgeted revenues.

Public Utility Operating Revenues (in millions)



in millions	Gas	Sewer & Clean Water	Water	Stormwater	Street Lighting	Total
2011 A	\$41.46	\$24.66	\$11.77	\$4.78	\$1.89	\$84.55
2012 A	\$34.09	\$23.23	\$13.98	\$4.89	\$2.27	\$78.46
2013 A	\$40.58	\$22.76	\$14.98	\$4.79	\$2.20	\$85.30
2014 A	\$58.53	\$20.27	\$14.63	\$4.72	\$2.23	\$100.37
2015 A	\$35.61	\$22.67	\$14.75	\$4.78	\$2.19	\$80.01
2016 A	\$31.91	\$21.13	\$14.67	\$5.27	\$2.21	\$75.19
2017 B	\$37.22	\$20.05	\$15.25	\$5.28	\$2.21	\$80.01
2018 B	\$38.27	\$20.21	\$15.52	\$5.29	\$2.26	\$81.56

Description and 2018 Budget

The City owns and operates five public utilities as shown. The city established a public utilities commission in 2010 which is charged with establishing rates, as well as recommending budgets for annual review and approval by the City Council. With the exception of natural gas, utility revenues are budgeted to remain comparable to 2017 budgets. Natural gas revenues are dependent on pricing and customer usage.

## CITY OF DULUTH FUND ACCOUNTS

The City's budget is presented and approved as funds. Fund accounting is the methodology used as the standard for governmental entities. For Duluth, the funds that are budgeted are listed below by fund type and fund classification. There are two fund types in the budget: 1) Governmental fund types which are defined as those funds that are used to account for tax supported activities; and 2) Proprietary fund types which focus on the determination of operating income, changes in net assets, financial position and cash flows. Within those two types are the classifications as shown below with the name of the budgeted funds within those classifications also noted. Following this chart is a summary by fund of budgeted expenses and estimated revenues for 2018 as approved.

### Governmental Fund Types

#### General Fund

#### Special Revenue Funds

- Lake Superior Zoo
- Parks Fund
- Special Projects
- Police Grants
- Capital Equipment
- Economic Development
- Community Investment Trust
- Energy Management
- Special City Excise and Sales Tax
- Home Program
- Community Development
- Community Development Administration
- Workforce Investment Act
- Senior Programs
- Other Post Employment Benefits
- DECC Revenue Fund
- Street System Maintenance Utility

#### Debt Service Funds

- General Obligation Debt Service - Tax Levy
- General Obligation Debt Service - Other
- Special Assessment Debt Service
- Street Improvement Debt Service
- Tax Increment Debt Service

#### Capital Projects Funds

- Special Assessment Capital Project
- Permanent Improvements
- Street Improvement Program
- Capital Improvement Fund
- Tourism & Recreational Projects

### Proprietary Fund Types

#### Enterprise Funds

- Water Fund
- Gas Fund
- Sewer Fund
- Clean Water Surcharge Fund
- Stormwater Fund
- Steam Fund
- Golf Fund
- Parking Fund
- 410 W First Street Parking Facility
- Street Lighting Fund

#### Internal Service Funds

- Self Insurance/Workers Comp
- Self Insurance Liability
- Medical Health Fund
- Dental Health Fund
- Fleet Services

# TOTAL APPROVED CITY OF DULUTH 2018 BUDGET

DETAIL BY FUND	Estimated			
	Beg. Balance	Revenues	Expenditures	Balance
GENERAL FUND	15,000,000	85,949,400	85,949,400	15,000,000
SPECIAL REVENUE FUNDS:				
Lake Superior Zoo	(446,628)	1,665,745	1,665,745	(446,628)
Parks Fund	1,254,165	2,787,246	2,787,246	1,254,165
Special Projects	934,165	949,300	949,300	934,165
Police Grants	34,642	1,436,473	1,436,473	34,642
Capital Equipment	2,717,232	3,877,000	3,877,000	2,717,232
Economic Development	8,796	2,828,147	2,828,147	8,796
Community Investment Trust	20,216,936	400,000	400,000	20,216,936
Energy Management	527,522	275,500	544,858	258,164
Special City Excise and Sales Tax	1,372,129	11,523,300	11,518,600	1,376,829
Home Program	(30,478)	463,411	463,411	(30,478)
Community Development	(285,452)	2,394,881	2,394,881	(285,452)
Community Development Administration	0	598,989	598,989	0
Workforce Investment Act	218,301	2,368,599	2,368,599	218,301
Senior Programs	10	328,300	328,300	10
OPEB	52,836,344	14,108,480	10,539,980	56,404,844
DECC Revenue Fund	4,245,175	3,602,600	2,308,100	5,539,675
Street System Maintenance Utility	404,139	3,800,000	3,800,000	404,139
<b>TOTAL SPECIAL REVENUE FUNDS:</b>	<b>84,006,999</b>	<b>53,407,971</b>	<b>48,809,629</b>	<b>88,605,341</b>
DEBT SERVICE FUNDS:				
General Obligation Debt Service - Tax Levy	7,507,704	7,054,900	6,955,900	7,606,704
General Obligation Debt Service - Other Source:	5,909,793	6,127,100	6,123,300	5,913,593
Special Assessment Debt Service	818,967	400,000	764,700	454,267
Street Improvement Debt Service	3,135,502	1,246,700	1,626,900	2,755,302
Tax Increment Debt Service	34,900	349,400	314,500	69,800
<b>TOTAL DEBT SERVICE FUNDS:</b>	<b>17,406,866</b>	<b>15,178,100</b>	<b>15,785,300</b>	<b>16,799,666</b>
CAPITAL PROJECTS FUNDS:				
Special Assessment Capital Project	(162,594)	35,324	0	(127,270)
Permanent Improvements	(379,773)	15,097,800	15,097,800	(379,773)
Street Improvement Program	815,671	1,574,617	1,230,000	1,160,288
Capital Improvement Fund	3,824,342	2,050,000	1,500,000	4,374,342
Tourism & Recreational Projects	9,323,449	1,500,000	3,000,000	7,823,449
<b>TOTAL CAPITAL PROJECTS FUNDS:</b>	<b>13,421,095</b>	<b>20,257,741</b>	<b>20,827,800</b>	<b>12,851,036</b>
INTERNAL SERVICE FUNDS:				
Self Insurance - Worker's Compensation	1,085,457	1,024,400	1,049,100	1,060,757
Self Insurance - Liability	1,320,523	613,600	722,500	1,211,623
Medical Health Fund	3,373,725	26,165,828	26,772,054	2,767,499
Dental Health Fund	266,315	873,696	826,537	313,474
Fleet Services	(635,345)	4,080,867	4,060,530	(615,008)
<b>TOTAL INTERNAL SERVICE FUNDS:</b>	<b>5,410,675</b>	<b>32,758,391</b>	<b>33,430,721</b>	<b>4,738,345</b>
ENTERPRISE FUNDS ESTIMATED INCOME AND EXPENSE				
		REVENUE	EXPENSE	INCOME/(LOSS)
Water Fund		15,520,600	12,563,500	2,957,100
Gas Fund		38,274,700	37,161,700	1,113,000
Sewer Fund		18,584,800	16,200,600	2,384,200
Clean Water Surcharge Fund		1,625,000	929,700	695,300
Stormwater Fund		5,293,600	4,581,500	712,100
Steam Fund		8,163,000	8,613,800	(450,800)
Golf Fund		1,776,028	1,937,679	(161,651)
Parking Fund		4,868,938	4,719,709	149,229
410 West First Street Parking Facility		944,733	1,158,408	(213,675)
Street Lighting Utility		2,257,000	2,133,800	123,200
<b>TOTAL ENTERPRISE FUNDS:</b>		<b>97,308,399</b>	<b>90,000,396</b>	<b>7,308,003</b>
<b>TOTAL ALL FUNDS</b>	<b>135,245,634</b>	<b>304,860,002</b>	<b>294,803,246</b>	<b>145,302,390</b>

## 2018 HIGHLIGHTS BY FUND

### General Fund

**Revenue Assumptions** - The final approved 2018 General Fund revenue budget of \$85.9 million, which includes a \$.9 million one-time investment in the Community Solar Program, is \$3.3 million more than the 2017 approved budget. Major revenue sources in the 2018 General Fund budget include local government aid, sales tax, property tax, transfers from other funds, and charges for services.

Due to the economic downturn and the State's budget deficits, Duluth's **Local Government Aid (LGA)** had been reduced annually 2008 through 2011 for a total reduction of \$10.8 million. Due to economic improvements, in 2013 the State legislature revamped the LGA formula and increased the allocation while stabilizing future funding levels. For 2018 the City will receive an increase of \$.35 million in its local government aid. The City plans to use **fund balance reserves** to fund a large deployment in the Fire department and also a one-time investment in the Minnesota Power Community Solar Program. The schedule below shows the changes in revenues by major type along with the assumptions used also noted.

2017 Approved Revenues		82.58	
Property Tax	1.59	6.26% levy increase for operations	
Local Government Aid	0.35	Certified LGA increase for 2018	
Charges for Services	0.24	Increase in engineering services	
Licenses and Permits	0.30	Increase in multiple dwelling licenses	
City Sales & Use Tax	(0.51)	Based on projected decrease in taxable sales	
Other Financing Sources	(0.15)	Reduction in police grants	
All Other Revenues	(0.08)	All other changes throughout	
Fund Balance Reserves - Fire Dept	0.73	To cover military deployment	
Fund Balance Reserves - Comm Solar Program	0.90	One-time investment in Comm Solar Program	
Total Revenue Changes		3.37	
<b>2018 Approved Revenues</b>		<b>85.95</b>	

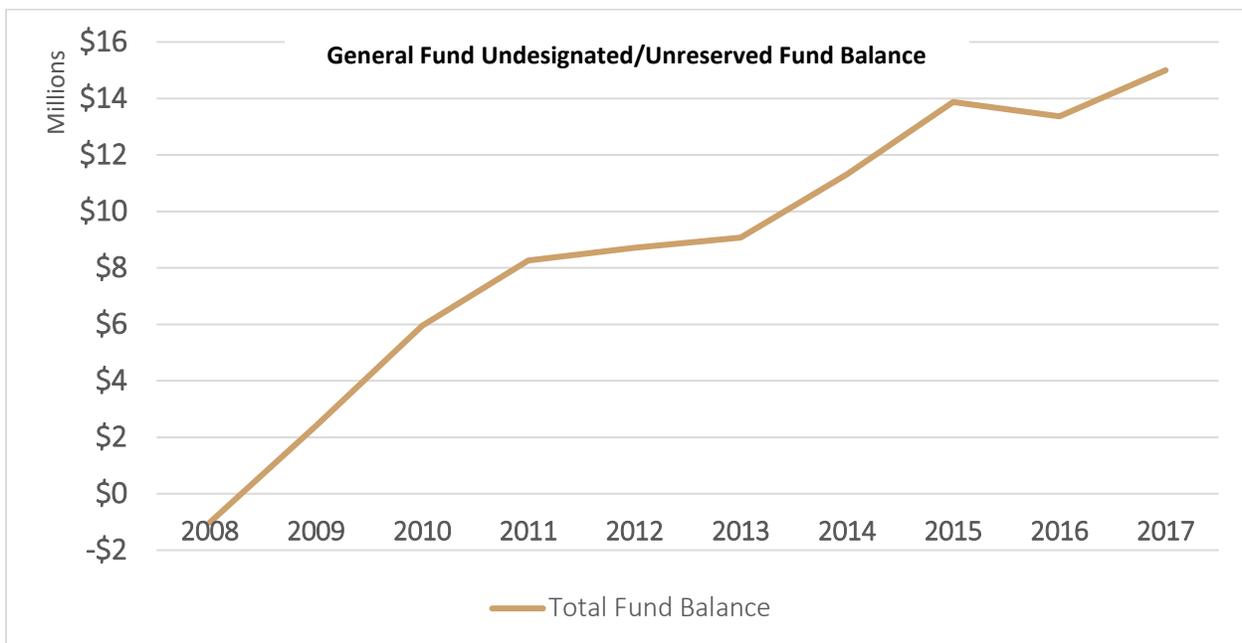
**Expense Assumptions** - As with revenues, the final approved 2018 General Fund budget is \$3.37 million more than the 2017 budget. Departmental reductions combined with a large military deployment are reflected in permanent salaries, taxes, and benefits. Other employee benefits include a 10% increase for medical insurance. A one-time investment into Minnesota Power's community solar program is planned for 2018.

2017 Approved Expenses		82.58	
Total Salaries	0.66	Increase due to Fire dept deployment	
PERA, Payroll Taxes	0.17	Due to increase in total salaries and participants	
Other Employee Benefits	1.75	10% estimated increase in health insurance	
All Other Operating Expenses	(0.11)	All other changes throughout	
Community Solar Program	0.90	One-time investment in Comm Solar Program	
Total Expense Changes		3.37	
<b>2018 Approved Expenses</b>		<b>85.95</b>	

The number of general fund positions for 2018 decreased 12.1 FTE's over 2017, from 606.61 FTE's to 594.51 FTE's. The changes by department are as follows:

Position Bridge Schedule	Full Time Equivalent Variance	
2017 Fulltime Equivalents (FTE's)		606.61
Legislative & Executive	(2.00)	
Public Administration	(4.25)	
Finance	(1.00)	
Planning & Construction Services	(1.05)	
Business & Economic Development		
Fire Department		
Police Department	(2.00)	
Public Works	(1.80)	
Total Changes in FTE's		(12.10)
2018 Fulltime Equivalents (FTE's)		594.51

**General Fund Undesignated/Unreserved Fund Balance** - The City has a fiscal policy of maintaining a minimum of five percent (5%) of General Fund expenditures as an **unreserved, undesignated fund balance**, a moderate scenario of seven percent (7%), and an optimum level of ten percent (10%). Based upon the 2018 General Fund budget of \$85.9 million, the minimum level (5%) would require a fund balance of \$4.3 million.



2008 ended with a negative fund balance of \$1.35 million. As was the case nationally, Duluth saw record revenue deficits coupled with a late December cut in Local Government Aid from the state. Due to the timing of that reduction, the City was not able to put any recovery actions into place before year end.

Since then, much effort has been concentrated on fund balance restoration and growth through various practices and policies. The City has dedicated the sale of assets as one time revenues to fund balance. The City has been addressing some of the structural budget deficits to realign resources to fund core services. Some examples of these would be the reallocation of PILOT funds to the general fund, the creation of a street light utility funded by dedicated tax levy; changing the management of the City's Zoo to the Zoological Society; using the Community Investment Trust Fund to pay off debt from the Street Improvement Program moving the debt off the City's property tax levy; redirecting investment earnings to the OPEB fund; and consolidating all retirees onto one health care plan alleviating administrative expense and saving premium expense by requiring co-pays and deductibles for the first time.

### **Special Revenue Funds**

These funds account for special purpose functions and are restricted in their application. All of these funds have dedicated revenues and provide accounting for special purposes. They include the funds of Lake Superior Zoo, Parks, Special Projects, Police Grants, Capital Equipment, Community Investment Trust, Economic Development, Tourism Tax, Energy Management, DECC Revenue, Community Development, Workforce, Senior Employment, Senior Nutrition and Community Resource Programs, Other Post-Employment Benefits - OPEB fund, and the Street System Maintenance Utility fund.

The **OPEB fund** was created in 2007 for the purpose to accumulate resources to be deposited into an irrevocable trust fund for retiree health care costs. The 2007 revenues in the fund included a one-time contribution from the Community Investment Trust Fund in the amount of \$10 million, contributions from the enterprise funds and all grant funds which have employees. There was also a one-time transfer from the Group Health Fund in the amount of \$1 million - with \$500,000 of that returned to the Group Health Fund in 2008. Property taxes were levied in 2008 and 2009 based on the value of retiring tax increment finance districts. Per City ordinance, the city shall transfer all earnings from the city's investments in the pooled portfolio to the OPEB trust fund with the exception of investment income from authority deposits, bond proceeds, or legally restricted investment income. At the end of 2017 the trust fund has accumulated assets of \$58 million.

The **Tourism Tax Fund** provides the accounting for the revenue generated by the different tourism taxes received from food and beverage and hotel/motel receipts. In 2015, the .5% food and beverage tax and the .5% hotel/motel tax were reinstated to pay principal and interest on bonds to fund recreational and tourism-related activities in the part of the City lying west of 34<sup>th</sup> Avenue West (also referred to as the St Louis River Corridor). In 2018, \$1,699,200 is budgeted to make debt payments for the projects along the St Louis River Corridor. Including those taxes, budgeted revenue will decrease 1% over 2017. Visit Duluth will receive a \$100,000 increase in funding, bringing Visit Duluth's total tax allocation to \$2,000,000. The Great Lakes Aquarium, Spirit Mountain, and the Lake Superior Zoo will receive operating subsidies from tourism taxes in the amounts of \$360,000, \$275,000, and \$510,000 respectively. Debt service payments totaling \$4,102,600 funded by the tourism tax fund go toward DECC improvements and Spirit Mountain. No new tourism tax allocations were approved for 2018.

The **Parks Fund** was established to account for the property tax money dedicated to be used for City parks only, as approved by the citizens of Duluth in a November 2011 special referendum vote. The Parks property tax levy is a fixed annual amount of \$2.6 million.

The **Street System Maintenance Utility Fund** accounts for the newly established street maintenance property tax levy that was established to finance existing street improvement debt, enhanced maintenance, and street reconstruction activities. The 2018 budget includes \$3.8 million in dedicated property tax revenue to be used for the following costs; \$1.1 million will be

used to pay existing street improvement debt, \$.9 million will be used for enhanced street maintenance, and \$1.8 million will be transferred to the City's street improvement fund.

### **Debt Service Funds**

These funds account for the payment of long-term principal and interest on the City's bonded debt. The total estimated gross bonded debt carried by the City in 2017 is \$156 million. The property tax levy for debt service in 2018 is \$6.8 million. The property tax supported bond issues proposed for 2018 include capital equipment and improvements. Debt is discussed in greater detail in the Debt Service Section of the document.

### **Capital Project Funds**

The Capital Project Funds account for the Special Assessment Capital, Permanent Improvement Projects, Street Improvements Program, Capital Improvements, and Tourism and Recreation Projects. For 2018, a total of \$20.8 million in improvements are planned. The City will bond for \$1.5 million of capital improvement projects including fire hall improvements, civic building improvements, and other city building improvements. Additional capital projects funding will come from intergovernmental contributions from the State of Minnesota and Federal grants, and assessments.

Included in the 2018 budget are \$3 million in tourism and recreational projects. In 2015, the city bonded \$13.5 million for tourism and recreational capital projects along the St Louis River Corridor. The payments on the bonds will be paid using the .5% food and beverage tax as well as the .5% hotel/motel tax included in the tourism tax special revenue fund.

All capital projects are detailed in the separate capital improvement plan found in the back of this book.

### **Enterprise Funds**

Enterprise Funds account for the expenditures of the municipal utilities of Water, Gas, Sewer, Clean Water, Stormwater, Steam, and the Street Lighting fund; the Golf Division of the Parks and Recreation Department: The Parking Enterprise fund; and the 410 West First Street Parking facility fund. Rates are reviewed annually during budget time - with increases approved by the Public Utilities Commission and the City Council through resolution.

The **Golf Enterprise Fund** accounts for the expenses and revenues associated with municipal golf in the City. For 2018, the City will once again contract out the operation of the two municipal golf courses.

The **Parking Enterprise Fund** was created in 2007 to account for all parking enterprises including ramps, municipal lots and meters. The fund was created by moving all related expenses and revenues from the General Fund, and includes all the required transfers from debt service and the Duluth Economic Development Authority (DEDA). Revenues are derived from transient parking, contract parking, parking meter revenues, and parking fines. Enforcement expenses and parking fine revenue were transferred from the General Fund in mid-2012.

The **410 West First Street** fund was established to account for the construction, operation, and maintenance of the parking ramp located at 410 West First Street. The parking facility was under construction in 2014, 2015, and 2017. It became operational in May 2017.

In 2008 a **Street Light Utility** was created by Council resolution as one of the City's budget recovery strategies. The operation had been part of the General Fund using property taxes and other revenues to fund the activity. The operation is now an enterprise fund using monthly user charges

as the source of revenue. This action reduced spending in the General Fund by \$1.185 million, most of which was electricity expenses, followed by salaries and benefits. The customer service charges are designed to fully cover expenses of the utility.

### **Internal Service Funds**

These funds account for services provided to other departments within the City. They include the Self Insurance Funds, the Medical and Dental Health Funds, and the Fleet Services Fund. The **Self Insurance Funds** (property, liability, and worker's compensation) and the **Medical and Dental Health Funds** provide claims funding and are dependent upon participants to generate revenues.

The **Fleet Services Fund** is divided into two functions. First is the operational component, which accounts for the cost to maintain the City's vehicles and other equipment. The other function of the Fleet Services Fund is to manage the City's capital expenditures for rolling stock.

### **CITY PLANNING PROCESSES**

The City of Duluth has several planning processes in place – some have been used for many years such as the capital budget and plan, while others are new such as the City of Duluth's comprehensive land use plan, Imagine Duluth, and Priority Based Budgeting. The goal is to provide citizens, elected officials, managers and staff with the tools and information needed to assess the effectiveness and value of services provided by the City. The budget process utilizes some of the processes to develop the financial plan for the coming year. Outlined below is a brief description of each of the planning processes currently used by the City of Duluth.

**Comprehensive Capital Budget and Plan** - One of the City's ongoing priorities is to produce a five-year capital improvement plan, leading to a comprehensive proposal for the budget. The objective of this project is threefold: to provide short and long-range capital planning; to coordinate capital planning efforts among all city departments; and to respond to bond rating agency recommendations to implement a comprehensive planning process. The five-year plan is included in a separate tabbed section of the budget document.

**Imagine Duluth 2035: Forward Together** – The City of Duluth's comprehensive land use plan. The contents of the plan are the result of many months of dedicated work by the community to confirm priorities for the City. Policies and strategies for economic development, energy and conservation, housing, open space, and transportation can all be found by clicking on the link <http://www.imagineduluth.com/media/543308/policies-and-strategies-11918.pdf>

**Priority Based Budgeting** – A unique, innovative approach to match available resources with community priorities. With the continuous structural imbalance between revenues and expenses, Priority Based Budgeting is a strategic approach to allocate limited resources according to how effectively a program or service achieves the goals and objectives that are of greatest value to the community. The City of Duluth will use the priority based budgeting approach for the 2019 budget process.

**Citizen Surveys** – The City has contracted with International Cities Management Association (ICMA) to perform a National Citizens survey to measure citizen opinion on a variety of issues and services provided by the City of Duluth. The 2015 citizen survey can be found by following the link <http://www.duluthmn.gov/media/367846/The-NCS-Duluth-2015-FINAL.pdf>

**Performance Measurement and Management** – Departments include performance measures which include outputs of individual units and provide a meaningful way to assess the effectiveness and efficiency of the units. Departments set annual goals with strategies for achieving the goals. Desired targets are set for the goals and each goal is objectively measured against the targets.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Duluth  
Minnesota**

For the Fiscal Year Beginning

**January 1, 2017**

*Christopher P. Morill*

Executive Director

## Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Duluth, Minnesota, for its annual budget for the fiscal year beginning January 1, 2017.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications tool.

The award is valid for a period of one year only. We believe our budget continues to conform to program requirements, and we are submitting our budget to GFOA to determine its eligibility for another award.

# FINANCIAL POLICIES

The City of Duluth's Financial Management Policies provide a framework for fiscal management of the City. In addition, policies are imperative so that all parties operate under the same underlying assumptions. The majority of these policies represent long-standing principles and practices which operate independently of changing circumstances and conditions. Even so, all policies are reviewed annually by the Administration and staff to determine the continued appropriateness and completeness of all stated policies.

These policies cover the following areas:

- Operating Budget
- Revenue
- Capital Budget
- Debt Management
- Reserve
- Investment
- Accounting

## Operating Budget Policy

The objective of Operating Budget Policies is to ensure adequate levels of funding to provide essential City functions at a reasonable cost.

**Balanced Budget** - The City's operating budget will be balanced. Current City expenditures will be paid with current revenues. The City will avoid budgetary practices or procedures that balance current period expenditures at the expense of future years' resources, such as accruing future years' revenues in the current period.

**Self-supporting Enterprises and Internal Service Funds** – All enterprise and internal service activities of the City will be self-supporting to the greatest extent possible.

**Service Levels** – Service levels will be examined during the annual budget process using department business plans; performance measurements and other productivity indicators as available. Changes in service levels will be governed by the following:

- **Budget Process** – The annual budget is intended to weigh all competing requests for City resources within projected revenues. New initiatives will be financed by reallocating existing City resources to the services with the highest priorities or through increases in applicable revenue streams.
- **Personnel Expenses** – Additional personnel shall be considered only after service needs have been thoroughly documented or after it is substantiated that new employees will result in increased revenue or operating efficiencies.
- **Grant Funded Programs** – All state and federal grants will be reviewed to determine the program's funding status outlining such items as whether the grant represents one-time revenue, an ongoing funding source, or partial funding with a local match requirement. The future fiscal impact will be determined prior to acceptance of the grant. Programs financed with grant monies will be budgeted in the appropriate fund at the time of Council approval. Ongoing support for the program will be reduced or eliminated once the funding ceases and another funding source is not secured. City generated funding

sources will be used only after all competing program priorities are considered during the annual budget process.

**Basis of Budgeting** – The basis of budgeting and accounting are the same, except as noted below. The budgets of all governmental and agency funds are created using the modified accrual basis. Revenues are budgeted if they are measurable and available as net current assets. Major revenues that are determined to be subject to accrual include property taxes, sales taxes, special assessments, grants-in-aid, intergovernmental revenues, rentals, franchise fees, and intra-City charges.

Interest on investments, short-term notes, and loans receivable are accrued; interest on special assessments receivable is not accrued or budgeted. Major revenues that are determined not to be subject to accrual because they are not available soon enough to pay liabilities of the current period or are not objectively measurable include delinquent property taxes and assessments, licenses, permits, fines and forfeitures.

Governmental and agency fund expenditures are generally budgeted when the related fund liability is incurred, except for principal and interest on general long-term debt, which is recognized when due. Compensated absences, which are comprised primarily of accumulated unpaid vacation and compensatory time, are accrued in the current year. Salary expenditures are budgeted based on full time equivalents (FTEs).

Proprietary funds use the accrual basis. Revenues are budgeted as they are anticipated to be earned and unbilled utility service receivables are recorded at year end. Utility service revenue estimates are based on the number of customers times an estimated usage amount, minus a factor for delinquencies.

	<u>Annual Operating Budget</u>	<u>Audited Financial Statements</u>
<b><u>Governmental Funds</u></b>		
General Fund	Modified Accrual	Modified Accrual
Special Revenue Funds	Modified Accrual	Modified Accrual
Debt Service Funds	Modified Accrual	Modified Accrual
Capital Projects Funds	Modified Accrual	Modified Accrual
<b><u>Proprietary Funds</u></b>		
Enterprise Funds	Accrual	Accrual
Internal Service Funds	Accrual	Accrual
<b><u>Fiduciary Funds</u></b>		
Pension (and Other Post Employment Benefits) Trust Funds	Accrual	Accrual

**Budgetary Controls & Other** - The City will develop and maintain accounting and budgetary control systems to adequately safeguard the assets held in public trust. The legal level of budgetary control is at the department level within a fund. Transfers may be made between departments with the approval of the Chief Administrative Officer or his designee. However, the amount may not exceed 10% of any department's approved budget. Any changes above that amount must be approved by the City Council.

The Administration will prepare, or cause to be prepared, all financial reports on a regular basis, comparing actual results of operations to budget.

#### **Scope of Budget –**

- The operating budget will describe major goals to be achieved, and services and programs to be delivered, within the confines of funding levels.
- The budget will provide for the adequate maintenance of capital facilities and equipment and for their orderly replacement within the confines of available revenue resources.
- The budget process will include input from the Administration, City staff, elected officials, and citizens alike by providing budgetary information in a meaningful, useful format in a timely manner.
- Staffing will be reported as full-time equivalents (FTE's) in order to more easily reflect City staffing levels by department.
- The budget will provide for adequate levels to fund the current year's PERA contribution.
- Where possible, the City will integrate performance measurement and productivity indicators with the budget.
- A contingency account will be maintained in the annual operating budget to provide for unexpected expenditures of a non-recurring nature or to meet unexpected increases in service delivery costs.
- The Finance Department will publish the proposed and final approved budgets in accordance with the Home Rule Charter and State Law.
- Annually, the City will submit its Budget to the Government Finance Officers Association (GFOA) to determine its eligibility for the GFOA's Distinguished Budget Presentation Award.
- The City Chief Administrative Officer is deemed the budget officer of the City. He or she will administer policies and procedures necessary to ensure consistency of application of City policies between departments.

**Five-Year Financial Direction** - Each year, City departments will prepare or review their existing five-year business plans. These plans will reflect General & Enterprise Fund revenue and expenditure projections. Projections will include estimated operating costs, capital acquisition costs, and revenues required to fund expenses.

#### **Revenue Policy**

The objective of this revenue policy is to ensure that funding is derived from a fair, equitable and adequate resource base. The City will strive to implement policies to protect and better develop the future tax base. These policies will emphasize preserving the City's ability to grow and expand.

**Revenue Structure and Sources** - The City will make every attempt to maintain a diversified and stable revenue base to shelter it from short and/or long-term fluctuations in any one revenue source. Services providing City-wide benefit will be financed through revenue sources generated from a broad base, such as property taxes and state aid. Services where the customer determines the use shall be financed with user fees, charges and assessments related to the level of service provided.

The City will project its revenues for the budget and five-year financial plan using a conservative, objective and thorough analytical process. These projections will be revised annually. The City will attempt to maintain a diversified revenue base with increasing emphasis put on dependence on locally generated revenues.

The City will maintain a comprehensive list of all sources of revenues. Schedules and formulas will be reviewed and updated annually to assure continued appropriateness. The City will make every effort to refrain from using one-time sources of revenue to balance the operating budget.

The City will seek a balanced tax base through support of a sound mix of residential, commercial, and industrial development. Although taxable property owners pay the overwhelming burden of City taxation, whenever possible the City will emphasize distributing costs of running the City to all users of governmental services, including tax exempt as well as taxable property owners.

**Enterprise Service Fees** - The City will establish user charges and set fees for services for each of its enterprise funds: water, sewer, gas, parking, golf, street lighting and storm water, at a level that fully supports all direct and indirect operating, capital, reserve, working capital and debt service costs of the activities. Overhead expenses and general government services provided to the enterprise activities shall be included as indirect costs. Rates will be set such that these enterprise funds are not in a cash deficit during the year. Cash flow requirements to adequately defray bond retirement and capital outlay will be a determinant in the development of user charges. Transfers from an enterprise fund to the General Fund may only be done as authorized through the annual budget process.

**User Fees** - The City shall implement user charges in lieu of general revenue sources for identified services where costs are related to the level of service. The City shall establish user charges and fees at a level that reflects the cost of the service. Components of user charges shall include operating and capital costs, as well as the direct and indirect costs of providing the service. The full cost of the service shall be imposed in the charge unless it is determined that policy, legal or market factors require lower fees.

The City will annually calculate the full cost of activities supported either directly or in part by user fees to identify the impact of inflation or other cost increases, and accordingly will recommend revised user fees for council review and approval.

User fees and other appropriate charges shall be levied for City activities, services or facilities in which non-residents participate, whenever practical. Non-resident fees shall be set at market levels to minimize the tax burden on City residents.

**Safe Margin** - The City will endeavor to have a "safe margin" of 1% as circumstance and financial conditions allow. **Dedicated Revenues** - Except where required by law, city charter or generally accepted accounting principles (GAAP), no revenue shall be dedicated for specific purposes unless authorized by the City Council. All non-restricted revenues shall be deposited in the General Fund and appropriated through the annual budget process.

**Private Revenues** - All private money donated, contributed or lent to the City shall be subject to grant solicitation and acceptance procedures, and shall be deposited in the appropriate City fund and accounted for as public money through the City's budget process and accounting system.

**Internal Service Fees** - When interdepartmental charges are used to finance internal service functions, the charges shall reflect full costs, including all direct and indirect expenses. Costs for services will be allocated to departments using a rate model.

**Special Assessments** - The City Council has the authority to levy special assessments for various types of projects including sidewalks, street improvements, and water and sewer line repairs. An assessment rate will be calculated on a project basis based upon actual construction costs incurred. Assessments shall be based upon the linear footage of benefiting parcels or other equitable method.

### **Capital Budget Policy**

The objective of the capital improvement budget policy is to ensure maintenance and replacement of public infrastructure and equipment in the most cost-efficient manner. The City will make all capital improvements in accordance with the adopted capital improvement and capital equipment budgets.

**Capital Improvement Program** - The City will develop a five-year Capital Improvement Program (CIP) with the annual operating budget. Future operating costs associated with new capital improvements will be projected and included in operating budget forecasts. All construction projects will include a contingency for unexpected costs.

**Capital Equipment Program** – The City will prepare a Capital Equipment Program budget each year. Capital equipment includes rolling stock, technology projects including software and hardware, and other equipment that has a life expectancy of three years or more.

**Operating Budget Impact** - The City will project its equipment replacement and maintenance needs on a multi-year basis, and will update this projection each year. From this projection a maintenance and replacement schedule will be developed and submitted for administrative review.

Operating expenditures/savings of each capital project request are included in the cost of implementing the project and reflect estimates of all personnel expenses and other operating costs attributable to the capital outlays. Departments receiving capital funds must account for the increased operating costs resulting from capital projects.

The City will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to the City Council for approval. The City will determine the least costly financing method for all new projects.

**Repair and Replacement** - The City strives to maintain its physical assets at a level that protects the City's capital investments and minimizes future maintenance and replacement costs. Where possible, the capital budget shall provide for the maintenance, repair and replacement of capital plant and equipment from current revenues. The City will gather useful information pertaining to the condition of capital assets, use the data accumulated to identify capital and maintenance needs, and maintain current and accurate asset inventories.

**Funding/Financing** – The City will determine the least costly method of funding for all new City projects. The City will use inter-governmental assistance to finance only those capital improvements that are consistent with City priorities, and whose operating and maintenance costs have been included in operating budget forecasts.

## Debt Management Policy

The objective of the Debt Management Policy is to provide a framework for managing the City's capital financing and economic development activities in a way that preserves the public trust and balances costs to current and future taxpayers without endangering essential City services.

**Authority and Oversight** - Management responsibility for the City's debt program is delegated to the Chief Financial Officer. The Debt Management Committee advises the CFO on the use of debt financing and debt management activities. The Debt Management Committee meets periodically at the call of the CFO and includes the following persons:

- Chief Financial Officer
- City Auditor
- City Treasurer
- Chief Administrative Officer
- Independent Financial Advisor as needed
- Independent Bond Counsel as needed

**Method of Sale** - The three primary methods of selling bonds include competitive sale, negotiated sale and private placement. The City uses the competitive sale method for general obligation bond sales unless factors such as structure, size or market conditions compel the use of a negotiated sale. The City may use the negotiated sale method on economic development related projects when the characteristics of the transaction require a more specific marketing plan and/or the issue lacks an investment grade rating due to complex security provisions or other factors.

**Selection of Independent Advisors** - The City uses competitive processes to select all service providers involved in the bond issuance process.

**Short-term Debt** - The City limits issuance of short-term debt for cash flow purposes, generally using cash reserves and investment practices to ensure that adequate liquidity exists to pay for expenditures during the year.

- General – In addition, the following policy items apply:
- The City will not incur long-term debt to support current operations;
- The City will retire any Tax/Aid Anticipation Certificates on Indebtedness within the year for which they were issued;
- The City will maintain a sound relationship with bond rating agencies, and will keep them informed about current financial conditions;
- The City will continue the practice of full disclosure, as it pertains to all financial reports and bond prospectus;
- The City will confine long-term borrowing to capital improvements, equipment or projects that are not appropriately financed from current revenues; and
- The City will strive to achieve and maintain an Aa2 rating from Moody's.

### **Bond Specifics:**

**General Obligation Bonds, Property Tax Supported** - General obligation property tax supported bonds finance only those capital improvements and long-term assets that have been determined to be essential to the maintenance or development of the City.

**General Obligation Revenue Bonds** - The City issues general obligation revenue bonds to finance assets associated with its primary enterprise businesses including storm water and sanitary sewers, water and gas utilities, golf, street lighting and parking ramps. Financial feasibility of capital projects is reviewed each year, including a review of the cash basis pro formas for these

funds. Five-year business plans detailing projected operating costs and prior debt obligations are reviewed as well as revenue performance and rate setting analysis to ensure that adequate bond coverage ratios are achieved.

**Tax Increment Bonds** - The City uses tax increment bonds only where projects can be shown to be self-liquidating from tax increments arising in sufficient amounts, or where secured guarantees are provided for potential shortfalls, and with appropriate timing to avoid, to the maximum extent possible, the use of citywide property tax revenues and where maximum allowable guarantees are obtained.

The City will not issue general obligation tax increment bonds except when all net bond proceeds are used to directly pay public costs or refinance debt that was previously issued to pay for such costs, subject to the terms and conditions of a development agreement with the City.

Alternatives, such as "pay as you go" financing and reimbursing front-end public redevelopment costs with tax increment revenues, or with tax abatement are preferable to bond financing and are to be considered and used when appropriate.

**Conduit Debt Obligations** - These obligations include industrial revenue bonds for which the City incurs no financial or moral obligation and are issued only if the associated development project can be shown to be financially feasible and will contribute substantially to the welfare and/or economic development of the City and its inhabitants.

**Bond Term** - The City shall issue bonds with terms no longer than the economic useful life of the project, and endeavor to keep the maturity at or below 20 years. For self-supporting bonds, maturities and associated debt service shall not exceed projected revenue streams.

**Feasibility** - The City shall obtain secured guarantees for self-supporting and tax increment supported bonds to the extent possible. The City shall also obtain assurances of project viability and guarantees of completion prior to the issuance of bonds.

### **Reserve Policy**

The objective of the Reserve Policy is to provide adequate working capital for cash flow and contingency purposes, while maintaining reasonable tax rates.

**Cash Flow and Contingency** - The City shall endeavor to maintain a minimum unreserved, undesignated General Fund balance of five percent (5%) of the current year's total expense budget to be used for cash flow purposes, unanticipated expenditures of a non-recurring nature, or to meet unexpected increases in service delivery costs. The City acknowledges and will make every effort to generate a seven to ten percent (7-10%) reserve as the optimum level. To the extent that unusual contingencies exist as a result of state or federal aid uncertainties, or other highly variable factors, a balance larger than this minimum amount may be maintained. These funds will be used to avoid cash flow interruptions, generate interest income, avoid the needs for short-term borrowing, and assist in maintaining an Aa2 bond rating.

Appropriate operating contingency reserves shall be maintained in enterprise funds to provide for business interruption costs and other unanticipated expenditures of a non-recurring nature. Appropriate capital fund reserves shall also be maintained for emergency improvements relating to new regulations, or emergency needs for capital repair or replacement. For all other funds, appropriate balances shall be maintained reflecting the nature of the accounts, such as:

- Enterprise Funds - The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions. Where cost-effective access to capital markets is available and debt financing is regularly used, replacement balances shall not be maintained so current consumers are not required to pay for future facilities. The City shall strive to maintain a minimum cash balance in its Enterprise Funds equal to approximately three months of operating expense, as circumstance and economic conditions allow.
- Internal Service Funds - The appropriate balance shall be maintained to ensure adequate maintenance reserves, cash flow balancing requirements and legal restrictions.

**Use of Fund Balances** – If at all feasible, available fund balances will not be used for ongoing operating expenditures, unless a determination has been made that available balances are in excess of required guidelines and that plans have been established to address any future operating budget shortfalls. Emphasis shall be placed on one-time uses that achieve future operating cost reductions. Fund balance is the cumulative years' excess or deficit of all revenues and expense. In the case of proprietary funds, this is termed unrestricted net assets. For the purposes of the budget document, revenue and expense activity includes bond proceeds and debt service.

**Annual Review** - An annual review of cash flow requirements and appropriate fund balances shall be undertaken to determine whether modifications are appropriate for the reserve policy.

## **Investment Policy**

The objective of the Investment Policy is to ensure that revenues received by the City are promptly recorded and deposited in designated depositories. If not immediately required for the payment of obligations, revenues shall be placed in authorized investments. Funds shall be deposited only in the types of investment instruments authorized by the City's Investment Policy, Minnesota Statutes, Chapter 118A, or City Council resolutions. Investments by the City shall conform to the following investment principles:

**Authority and oversight** - Management responsibility for the City's investment program is delegated to the City Treasurer. The Investment Committee advises the Treasurer on investment activities. The Investment Committee meets at least quarterly and includes the following persons:

- City Treasurer
- Chief Financial Officer
- City Auditor
- Assistant City Treasurer
- Chief Administrative Officer
- Independent Financial Advisor as needed

**Safety** - Safety of principal is the City's foremost objective. Each investment transaction shall seek to first ensure that capital losses are avoided, whether from securities defaults or from erosion of market value.

**Liquidity** - The City's investments shall be structured to provide liquidity to meet its obligations in a timely manner without loss of principal.

**Yield** - The investment portfolio shall be designed to attain a market-average rate of return through budgetary and economic cycles, taking into account the City's investment risk constraints, cash flow characteristics, and safety of principal.

**Diversification** - The City shall diversify its investments to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, a business sector (excluding U.S. Treasuries), a specific issuer or a specific class of securities.

**Maintaining the Public Trust** - The investment program shall be designed and managed with professionalism worthy of the public trust. The best investment vehicles for the City's objectives shall be sought through competitive processes. Investment officials shall avoid any transaction that might impair public confidence in City government.

**Standard of Care** - The "prudent person" standard shall be applied in the context of managing the overall investment portfolio. Investment officers, acting in accordance with fiduciary standards and written procedures, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

**Internal Controls and Safekeeping** - The City Chief Financial Officer shall establish a written system of internal controls. To protect against potential fraud and embezzlement, assets of the City shall be secured through third party custody and other safekeeping procedures. The City shall authorize the custodian financial institution to utilize security lending to maximize return on investments. Bearer instruments shall be held only through third party institutions. Investment officials shall be bonded.

**Reporting** - When presenting a financial report to the Council, the City will include an investment report describing the characteristics of the portfolio, including a summary of recent market conditions, investment performance and investment strategies.

**General -**

- The City will make a cash-flow analysis of all funds on a regular basis. Disbursement, collection, and deposit of all funds will be scheduled to insure maximum investment capabilities;
- When permitted by law, the City will pool cash from several different funds for investment purposes to maximize potential earnings; and
- The City will analyze market conditions and potential investments to maximize its yield, while maintaining the integrity and safety of the principal.

**Accounting Policy**

The objective of the Accounting Policy is to ensure that all financial transactions of the City and its boards, commissions, and agencies conform to the City Charter, Minnesota statutes, grant requirements, the principles of sound financial management and generally accepted accounting principles.

**Accounting Standards** - The City shall establish and maintain accounting systems according to the generally accepted accounting principles (GAAP), which are set by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB). The central system shall be used for financial transactions of all City departments, boards, and independent agencies.

The City's accounting system will be organized and operated on a fund basis. Each fund is a distinct self-balancing accounting entity. The various fund types maintained by the City can be classified into fund categories as follows:

- Governmental
  - General
  - Special Revenue
  - Debt Service
  - Capital Projects
- Propriety
  - Enterprise
  - Internal Service
- Fiduciary
  - Pension Trust and Agency

The City's governmental funds will be maintained and reported on the modified accrual basis of accounting, whereby revenues are recognized when measurable and available, and expenditures are recognized when the related liability is incurred. The proprietary and pension funds are to be accounted for using the accrual basis of accounting, recognizing revenues when earned and expenses when incurred.

**Disclosure and Monitoring** - Full disclosure is provided in all financial statements and bond representations. Financial systems are maintained to monitor expenditures and revenues on a daily, monthly, and year end basis. A Comprehensive Annual Financial Report (CAFR) is published by the City within six months of the following year. The CAFR will be posted on the City's website.

The Minnesota State Auditor will audit the City's financial statements annually and render an opinion.

The City will develop and maintain a policy and procedure manual covering accounting practices and controls.

Annually, the City will submit its CAFR to the Government Finance Officers Association (GFOA) to determine its eligibility for the GFOA's Certificate of Achievement for Excellence in Financial Reporting.

# APPROPRIATIONS

# General Fund

# City of Duluth Minnesota - 2018 Budget

## General Fund

### Departments

Legislative & Executive  
 Public Administration  
 Finance Department  
 Planning & Construction Svcs  
 Business Development  
 Fire Department  
 Police Department  
 Public Works  
 Transfers & Other Functions

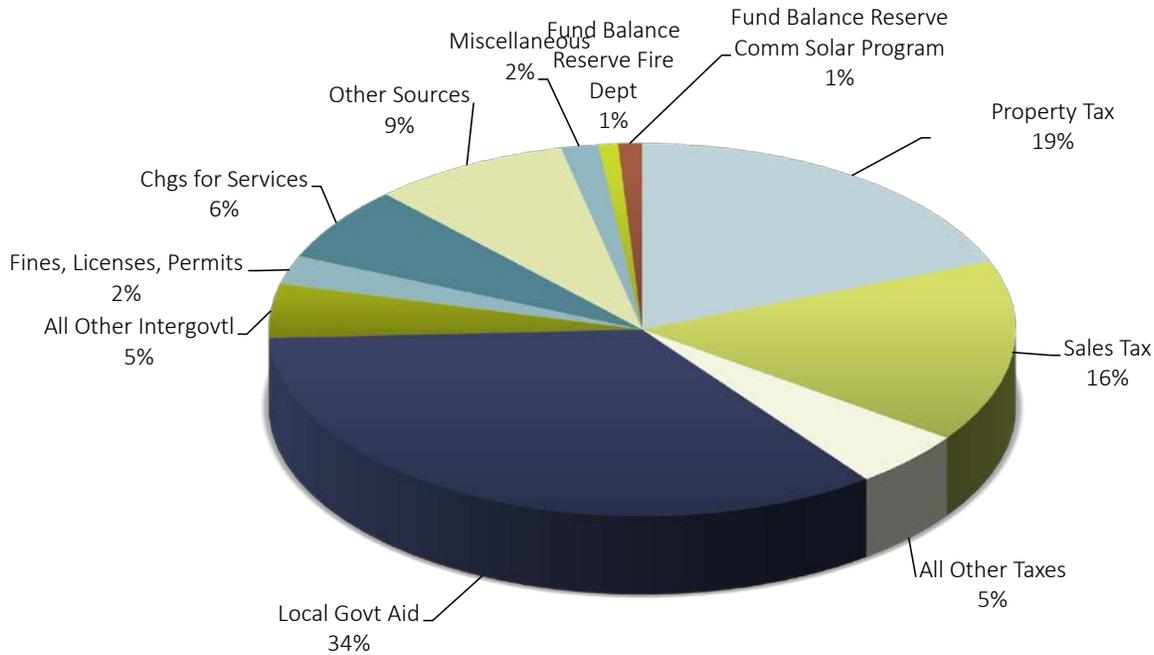
The General Fund provides general purpose government to the citizens of Duluth and accounts for all financial transactions not accounted for in another fund. This fund is used to finance activities such as general government, public safety, public works, libraries, recreation and business and economic development.

Financial support for this fund is received from general property taxes, city sales tax, licenses and permits, court fines and fees, departmental fees and charges, intergovernmental and miscellaneous revenues. The major categories of revenues and of expenditures are itemized below.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>REVENUES</b>				
Property Tax				
General Operations Levy	12,800,449	13,893,385	14,628,200	16,220,400
Delinquent Property Taxes	242,540	261,975	150,000	150,000
City Sales Tax	13,659,806	13,240,215	14,102,800	13,586,600
All Other Taxes	2,306,906	2,241,388	4,143,900	4,229,500
Local Government Aid	29,203,638	29,264,120	29,299,700	29,646,000
All Other Intergovernmental	4,305,153	5,343,790	3,971,600	4,023,000
Licenses and Fines	2,264,217	2,265,684	1,922,700	2,160,900
Charges for Services	5,565,237	4,968,006	5,339,100	5,575,100
Other Financing Sources	7,876,783	7,667,342	7,502,500	7,348,300
Miscellaneous	1,255,316	1,445,872	1,516,800	1,383,600
Fund Balance Reserves				
Fire Department	-	-	-	730,500
Comm Solar Program	-	-	-	895,500
<b>Total Revenues</b>	<b>79,480,045</b>	<b>80,591,777</b>	<b>82,577,300</b>	<b>85,949,400</b>
<b>EXPENDITURES</b>				
Permanent Salaries	38,172,642	39,683,931	41,353,800	41,701,100
Premium Pay	1,778,470	2,263,872	1,499,100	1,791,300
Other Wages	533,596	595,856	649,800	670,600
Employee Benefits	16,183,747	16,562,744	17,462,400	19,389,500
Supplies	2,895,672	3,040,721	2,940,700	2,996,400
Other Services & Charges	8,771,440	10,749,295	9,742,500	9,638,100
Utilities	1,184,688	1,166,073	1,271,400	1,169,300
Retiree Insurance	6,906,459	6,708,285	7,349,100	7,349,100
Capital	497,131	326,772	308,500	348,500
Community Solar Program	-	-	-	895,500
<b>Total Expenditures</b>	<b>76,923,845</b>	<b>81,097,549</b>	<b>82,577,300</b>	<b>85,949,400</b>

# City of Duluth Minnesota - 2018 Budget

## GENERAL FUND APPROVED REVENUES Percent of Total by Major Category



Property Tax - Current & Delinquent	\$ 16,370,400
City Sales Tax	\$ 13,586,600
All Other Taxes	\$ 4,229,500
Local Government Aid	\$ 29,646,000
All Other Intergovernmental	\$ 4,023,000
Licenses and Fines	\$ 2,160,900
Charges for Services	\$ 5,575,100
Other Financing Sources	\$ 7,348,300
Miscellaneous and Assessments	\$ 1,383,600
Fund Balance Reserves	
Fire Department	\$ 730,500
Community Solar Program	\$ 895,500
 TOTAL 2018 REVENUES	 \$ 85,949,400

This graph shows the major categories of revenues expressed as a percent of total General Fund revenues estimated for budget fiscal year 2018. The City's policy of maintaining a diverse revenue base is reflected in the categories of revenues listed above, with almost 200 separate budgeted sources of revenue. Although the City does have a wide variety of revenues, the reader will note the City's relative dependence on Local Government Aid, which constitutes 34% of all General Fund revenues and does not adjust for inflation. For this reason, we closely monitor Local Government Aid every session at the State Legislature.

# City of Duluth Minnesota - 2018 Budget

General Fund Revenues	2015 Actual	2016 Actual	2017 Budget	2018 Approved
CATEGORY 10 - TAXES				
4005 Current Property Tax	12,800,449	13,893,385	14,628,200	16,220,400
4010 Delinquent Property Tax	242,540	261,975	150,000	150,000
4015 Mobile Home Tax	51,359	54,311	58,700	59,700
4040 City Sales Tax	13,659,806	13,240,215	14,102,800	13,586,600
4050 Charitable Gambling Tax	59,506	59,498	60,000	20,000
4070 MN Power Franchise Fee	1,100,000	1,100,000	3,048,500	3,148,500
4071 Cable Franchise Fee	899,897	891,450	899,000	891,500
4072 No. MN Utility Franchise Fee	8,297	7,007	8,300	6,700
4080 Forfeit Tax Sale	19,462	45,401	19,400	19,400
4090 Other Taxes	168,384	83,721	50,000	83,700
<b>TOTAL TAXES</b>	<b>29,009,700</b>	<b>29,636,963</b>	<b>33,024,900</b>	<b>34,186,500</b>
CATEGORY 20 - LICENSES AND PERMITS				
4101 Liquor License	495,705	506,692	455,000	495,000
4102 Beer License	15,907	16,123	14,000	14,000
4105 Hotel License	10,516	12,073	9,000	9,000
4106 Garbage Collection	17,582	17,284	16,000	16,000
4107 Horse & Carriage	572	572	700	700
4108 Emergency Wrecker License	6,230	5,816	6,000	6,000
4109 Gas Station License	10,148	9,110	8,500	8,500
4111 Pawnbroker License	772	772	1,100	1,100
4112 Peddler's License	1,769	4,836	1,000	1,000
4113 Precious Metal Dealer	1,544	1,544	1,500	1,500
4114 Pet Shop License	944	622	600	600
4115 Dog & Cat Hospitals License	747	415	700	700
4116 Dog Kennels License	479	611	400	400
4117 Massage Parlor	13,756	12,661	12,000	12,000
4118 Cigarette License	13,583	12,197	13,000	13,000
4119-01 Motor Vehicle - Dealer	4,098	4,515	4,400	4,400
4119-02 Motor Vehicle - Rental	2,400	1,602	1,800	1,800
4120 Taxi Permit	12,752	11,932	11,000	11,000
4121 Coin Operating Device	10,435	19,640	9,000	9,000
4122 Pool & Bowling	1,366	1,202	1,000	1,000
4123 Dance Hall License	-	208	-	-
4125 Transportation Network Companies License	-	-	-	7,000
4151 Fill Permits	3,042	2,394	1,200	1,100
4152 Excavation Permits	17,430	12,670	20,000	15,000
4153 Multiple Dwell License	878,248	855,008	633,800	883,300
4154 Commercial Use/Occupancy	95,869	111,665	90,000	95,000
4155 Special Event Permit	4,751	4,212	3,000	3,000
4170-01 Misc. Perm. & Licenses	65,405	47,352	27,000	27,000
<b>TOTAL LICENSE AND PERMITS</b>	<b>1,686,051</b>	<b>1,673,728</b>	<b>1,341,700</b>	<b>1,638,100</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Revenues	2015 Actual	2016 Actual	2017 Budget	2018 Approved
CATEGORY 30 - INTERGOVERNMENTAL				
4209-02 Misc. Federal Grants (Safer Grant)	27,849	114,362	-	-
4210-02 Pass-thru Federal Grants	96,771	56,396	-	-
4220-02 State of Minnesota	104,142	22,949	5,000	5,000
4220-03 State of Minnesota-Disaster Aid	-	977,935	-	-
4221 Local Government Aid	29,203,638	29,264,120	29,299,700	29,646,000
4222 State Property Tax Aid	2,890	6,402	-	-
4225 Ski Trail Reimbursement	15,400	11,000	11,000	11,000
4226 Snowmobile Trail Grants	7,659	15,750	13,900	13,900
4227 Police Training Reimbursement	47,312	45,649	50,000	50,000
4230 PERA Aid	124,428	124,428	124,400	124,400
4232 State Insurance Premium	1,901,931	1,950,415	1,775,000	1,820,000
4240-02 Municipal State Aid - Maintenance	1,533,400	1,533,400	1,533,400	1,533,400
4260 St. Louis County	164,435	143,500	143,500	143,500
4261 ISD 709	233,291	251,941	243,400	248,400
4300-01 HRA in Lieu of Taxes	45,645	57,492	56,000	57,400
4300-02 Ordean Foundation	-	32,172	16,000	16,000
<b>TOTAL INTERGOVERNMENTAL</b>	<b>33,508,791</b>	<b>34,607,910</b>	<b>33,271,300</b>	<b>33,669,000</b>
CATEGORY 40 - CHARGES FOR SERVICES				
4301 Zoning Appeals Fees	-	-	600	600
4303 Use Permit - Flood & Wetlands	3,130	2,496	1,000	900
4306 Building Appeals Fees	120	120	-	-
4307 Planning/Zoning Fees	92,295	76,945	80,000	80,000
4310 Assessment Cost Services	1,768	45,628	17,000	40,600
4311 Assessment Certification Fee	28,876	9,316	8,000	20,000
4315-01 Stormwater Administrative Service	151,800	151,800	154,500	149,400
4315-02 Sewer Administrative Service	308,000	308,000	232,800	204,600
4315-03 Steam Administrative Service	49,500	49,500	44,100	50,900
4315-04 DECC Administrative Service	25,000	25,000	25,000	13,700
4315-05 DTA Administrative Service	10,300	10,300	10,300	10,300
4315-06 Grant Administration Services	67,749	63,947	69,000	69,000
4315-07 Airport Administrative Service	45,200	45,200	45,200	45,200
4315-08 DEDA Administrative Service	365,000	365,000	365,000	365,000
4315-09 Public Utility Admin Service	876,600	876,600	771,300	773,700
4315-10 Fleet Administrative Service	108,200	108,200	136,800	135,900
4315-11 Golf Administrative Service	55,000	55,000	34,000	18,800
4315-12 Group Health Admin Service	255,000	255,000	255,000	353,300
4315-13 Self Insurance Admin Service	283,200	283,200	426,000	457,500
4315-14 Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315-15 Parking Administrative Service	23,300	23,300	127,400	136,400
4315-16 Street Lighting System Utility	59,000	59,000	56,100	50,500
4315-17 410 West 1st Street Ramp	-	-	-	22,500

# City of Duluth Minnesota - 2018 Budget

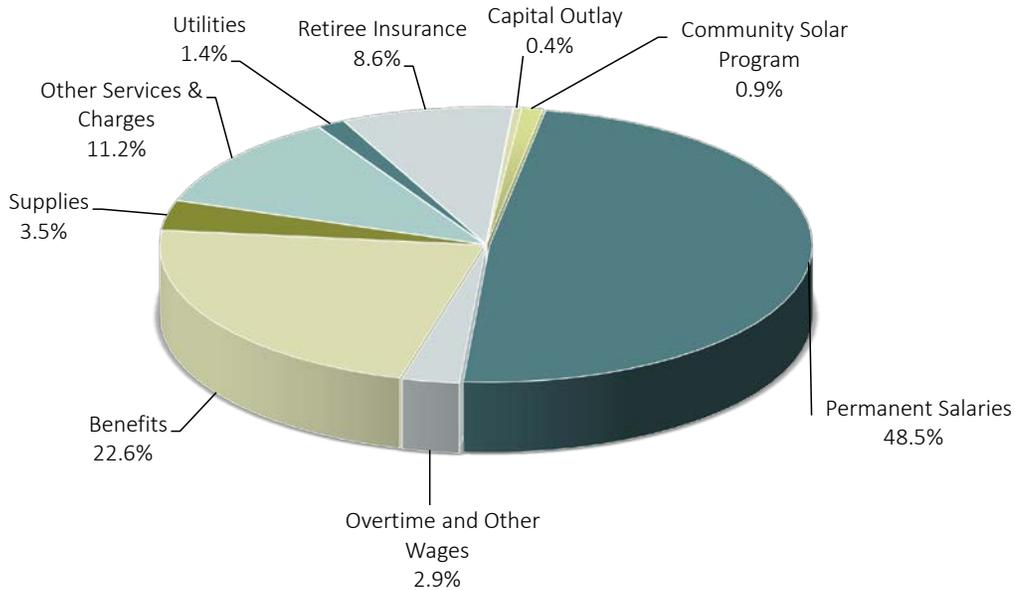
General Fund Revenues	2015 Actual	2016 Actual	2017 Budget	2018 Approved
Category 40 - Charges for Services continued				
4319 Attorney Fees	5,025	3,725	4,000	4,000
4320 IT Services	1,178	15,849	4,600	5,800
4322 Animal Shelter Fees	19,078	12,069	20,000	12,000
4323 Garnishment Fees	225	150	-	-
4325 Radio Services	6,500	-	-	-
4326 Criminal History Checks	280	376	500	400
4328 Pawnbroker Transaction Charge	60,008	51,634	65,000	50,000
4329 False Alarm Fees & Penalties	15,210	26,882	19,600	19,600
4340 Fire Protection Services	4,200	4,200	4,200	6,400
4341 Hydrant Maintenance Service	30,000	30,000	30,000	30,000
4351 Building Inspection Fees	1,560,893	1,259,438	1,597,800	1,481,100
4352 Plumbing Inspection Fees	162,866	132,334	196,500	182,200
4353 Electric Inspection Fees	212,785	215,621	207,400	192,300
4354 HVAC-R Inspection Fees	213,142	215,707	163,800	151,800
4355 Signs Inspection Fees	17,827	16,129	11,400	10,600
4356 House Moving Inspection Fees	10,243	4,351	9,800	9,100
4357 Mobile Home Inspection Fees	288	416	2,100	1,900
4359 CAF Administrative Fee	19,078	12,370	16,500	15,300
4360 Vacant Building Fee	11,900	3,000	-	-
4361 RZP Registration Fee	16,380	15,482	14,100	13,100
4370 Engineering Services	351,395	97,021	75,000	353,000
<b>TOTAL CHARGES FOR SERVICES</b>	<b>5,565,237</b>	<b>4,968,006</b>	<b>5,339,100</b>	<b>5,575,100</b>
CATEGORY 50 - FINES AND FORFEITS				
4470 License Penalties	5,007	10,160	2,000	2,000
4471 Library Fines	84,306	76,438	75,000	72,000
4472 Administrative Fines	26,240	29,689	74,000	21,600
4473 Court Fines	408,777	427,225	430,000	427,200
4474 Police Felony Forfeitures	53,836	48,445	-	-
<b>TOTAL FINES AND FORFEITS</b>	<b>578,166</b>	<b>591,956</b>	<b>581,000</b>	<b>522,800</b>
CATEGORY 60 - SPECIAL ASSESSMENTS				
4500 Assessments	80,451	63,530	105,600	114,100
4500-12 Assessments - Service Charge	354,567	361,857	300,000	300,000
4501 Assessments - Penalty & Interest	22,268	29,364	20,800	24,800
<b>TOTAL SPECIAL ASSESSMENTS</b>	<b>457,286</b>	<b>454,751</b>	<b>426,400</b>	<b>438,900</b>
CATEGORY 70 - MISCELLANEOUS				
4601-02 Earnings on Investments	978	(20,873)	-	-
4602-01 Interest on Temporary Loans	27,959	2,329	33,000	-

# City of Duluth Minnesota - 2018 Budget

General Fund Revenues	2015 Actual	2016 Actual	2017 Budget	2018 Approved
Category 70 - Miscellaneous continued				
4622 Rent of Buildings	121,326	110,675	116,500	525,900
4623 Rent of Land	6,762	8,368	6,300	5,100
4627 Concessions & Commissions	9,416	12,648	10,000	13,700
4631 Media Sales	27,823	21,424	23,800	23,500
4635 Auction Proceeds	7,624	9,190	-	-
4636-02 Sale of Materials	3,484	6,097	6,000	6,000
4639 Sale of Equipment	90,543	47,006	40,000	-
4640 Sale of Land	3,000	-	65,700	-
4644 Miscellaneous Sales	123,635	32,002	100,100	71,200
4650 Salary Reimbursement	44,802	20,867	20,000	20,000
4651 Reimburse Extra Duty Employment	6,056	-	-	-
4654 Other Reimbursements	252,603	561,602	517,500	127,900
4660 Gifts & Donations	48,275	4,649	-	-
4680 Damages Recovered	-	15,472	-	-
4700 Other Sources	22,200	8,484	-	-
4701 2% Retention Surtax	1,543	1,182	1,500	1,400
4702 Fond du Luth Proceeds	-	150,000	150,000	150,000
<b>TOTAL MISCELLANEOUS</b>	<b>798,030</b>	<b>991,121</b>	<b>1,090,400</b>	<b>944,700</b>
CATEGORY 80 - OTHER FINANCING SOURCES				
4730-20 Transfer from Special Revenue Funds	985,599	1,819,466	1,672,200	1,684,500
4730-22 Transfer from Police Grant Funds	480,002	725,677	644,400	558,500
4730-23 Transfer from Police Grant Funds-Overtime	206,992	194,508	130,000	130,000
4730-50 Transfer from Enterprise Funds	1,352,700	1,326,700	1,376,700	1,336,300
4730-51 Transfer from Public Utility Funds	942,982	978,683	1,180,000	1,079,400
4730-41 Transfer from Permanent Improvement	-	911	-	-
4731 Gas Utility in Lieu of Taxes	3,778,400	2,484,583	2,357,800	2,406,800
4732 Steam Utility in Lieu of Taxes	130,108	136,815	141,400	152,800
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>7,876,783</b>	<b>7,667,342</b>	<b>7,502,500</b>	<b>7,348,300</b>
4999 Fund Balance Reserves-Fire Department	-	-	-	730,500
4999 Fund Balance Reserves-Com Solar Program	-	-	-	895,500
<b>TOTAL FUND BALANCE RESERVES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,626,000</b>
<b>GENERAL FUND TOTAL</b>	<b>79,480,045</b>	<b>80,591,777</b>	<b>82,577,300</b>	<b>85,949,400</b>

## GENERAL FUND APPROVED EXPENSES

### Percent of Total by Major Category

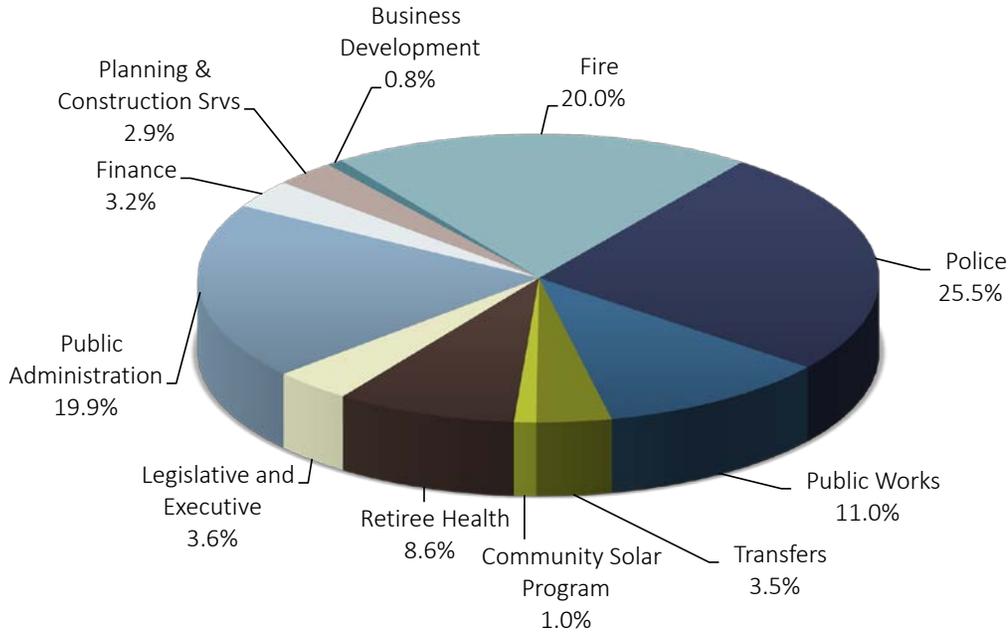


Permanent Salaries	\$ 41,701,100
Overtime and Other Wages	\$ 2,461,900
Benefits	\$ 19,389,500
Supplies	\$ 2,996,400
Other Services & Charges	\$ 9,638,100
Utilities	\$ 1,169,300
Retiree Insurance	\$ 7,349,100
Capital Outlay	\$ 348,500
Community Solar Program	\$ 895,500
 TOTAL 2018 EXPENDITURES	 \$ 85,949,400

This graph shows the General Fund budget by expense category. The largest single category of expense is Permanent Salaries at 48.5% of all expenses. When the cost of benefits, overtime, and other wages is added, the total is 74.6% of all budgeted expenses. Other Services and Charges comprises 11.2% of the total; followed by Retiree Insurance at 8.6%; Supplies at 3.5%; Utilities at 1.4%; Community Solar Program at .9%; and Capital Outlay in the General Fund at .4%.

GENERAL FUND APPROVED EXPENSES

Percent of Total by Department



Legislative and Executive	\$	3,188,800
Public Administration	\$	17,089,900
Finance	\$	2,737,800
Planning & Construction Srvs	\$	2,484,600
Business Development	\$	651,000
Fire	\$	17,176,200
Police	\$	21,903,400
Public Works	\$	9,431,900
Transfers	\$	3,041,200
Retiree Health	\$	7,349,100
Community Solar Program	\$	895,500
<b>TOTAL 2018 EXPENDITURES</b>	<b>\$</b>	<b>85,949,400</b>

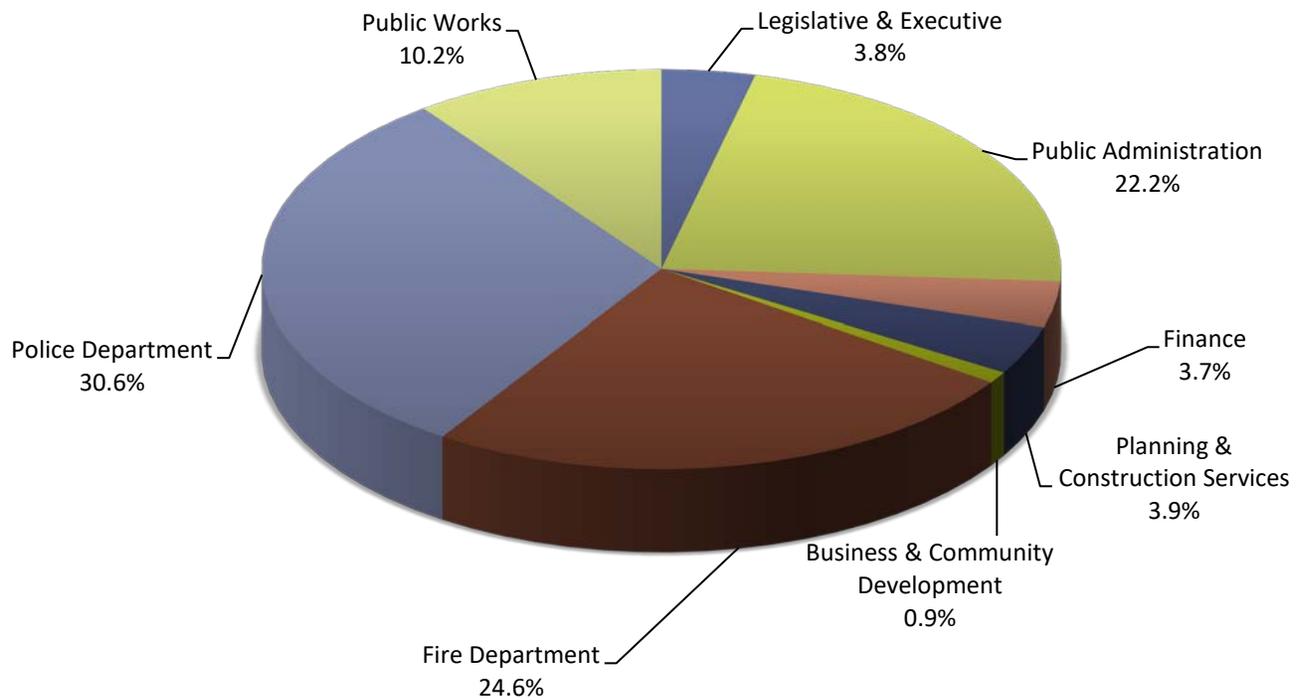
This graph shows the General Fund departmental budgets as a percent of the total General Fund expenditures for budget fiscal year 2018. The largest category of expense is public safety with the Police and Fire departments comprising 45.5% of the total; followed by the Public Administration department which includes Human Resources, Information Technology, City Clerk, Park Maintenance, Library, and Facilities at 19.9%. The General Fund portion of the Public Works department comprises 11.0% of the total. Retiree health care comprises 8.6% of the total. The remaining five departments totaled together are 15.0%, with no department exceeding 4%.

# General Fund - 2018 Approved Expense Budget

General Fund Expenses	Permanent		Other	Benefits	Other	Capital	TOTAL
	Salaries	Overtime	Wages		Expense	Outlay	
LEGISLATIVE AND EXECUTIVE							
City Council	-	-	124,200	11,600	68,700	-	204,500
Mayor's Office	313,900	-	-	150,000	14,600	-	478,500
Chief Administrative Officer	225,400	-	-	113,400	10,600	-	349,400
Attorney's Office	1,547,600	-	30,000	537,700	39,100	2,000	2,156,400
DEPARTMENT TOTAL	2,086,900	-	154,200	812,700	133,000	2,000	3,188,800
PUBLIC ADMINISTRATION							
Human Resources	721,300	-	10,000	337,700	74,500	-	1,143,500
Information Technology	1,632,200	10,000	-	684,500	866,200	-	3,192,900
City Clerk	457,600	1,000	75,000	223,300	52,500	-	809,400
Park Maintenance	1,356,900	50,000	174,200	659,800	849,500	-	3,090,400
Library Services	2,580,600	800	101,800	1,238,900	371,000	306,500	4,599,600
Facilities Management	1,403,400	25,000	23,000	719,500	2,043,200	40,000	4,254,100
DEPARTMENT TOTAL	8,152,000	86,800	384,000	3,863,700	4,256,900	346,500	17,089,900
FINANCE							
Budget Office	292,600	-	-	124,500	27,100	-	444,200
Auditor's Office	694,500	14,000	-	309,100	325,100	-	1,342,700
Purchasing	142,000	-	-	80,900	5,700	-	228,600
Treasurer's Office	464,600	-	-	243,700	14,000	-	722,300
DEPARTMENT TOTAL	1,593,700	14,000	-	758,200	371,900	-	2,737,800
PLANNING & CONST. SRVS.							
Physical Planning	500,100	-	-	212,900	56,400	-	769,400
Const. Srvs & Inspection	1,072,000	9,000	-	487,300	146,900	-	1,715,200
DEPARTMENT TOTAL	1,572,100	9,000	-	700,200	203,300	-	2,484,600
BUSINESS DEVELOPMENT	444,700	-	-	188,000	18,300	-	651,000
FIRE DEPARTMENT							
Fire Administration	326,500	-	-	120,300	59,000	-	505,800
Fire Operations	9,497,000	922,200	-	4,485,200	601,900	-	15,506,300
Life Safety	746,000	11,300	-	352,100	54,700	-	1,164,100
DEPARTMENT TOTAL	10,569,500	933,500	-	4,957,600	715,600	-	17,176,200
POLICE DEPARTMENT							
Police Admin, Investigation, Patrol	13,517,000	575,000	107,300	6,269,400	1,434,700	-	21,903,400
DEPARTMENT TOTAL	13,517,000	575,000	107,300	6,269,400	1,434,700	-	21,903,400
PUBLIC WORKS							
Director's Office	42,100	-	-	11,000	800	-	53,900
Street Maintenance	2,570,300	117,000	-	1,280,700	3,555,600	-	7,523,600
Transportation Engineering	1,152,800	56,000	25,100	470,500	150,000	-	1,854,400
DEPARTMENT TOTAL	3,765,200	173,000	25,100	1,762,200	3,706,400	-	9,431,900
TRANSFERS							
DEPARTMENT TOTAL	-	-	-	77,500	10,312,800	-	10,390,300
COMMUNITY SOLAR PROGRAM	-	-	-	-	895,500	-	895,500
PROGRAM TOTAL	-	-	-	-	895,500	-	895,500
<b>2018 Approved General Fund</b>	<b>41,701,100</b>	<b>1,791,300</b>	<b>5670,600</b>	<b>19,389,500</b>	<b>22,048,400</b>	<b>348,500</b>	<b>85,949,400</b>

# City of Duluth Minnesota - 2018 Budget

## General Fund Personnel Summary



Department	2017 Budget	2018 Approved
Legislative & Executive	24.50	22.50
Public Administration	136.35	132.10
Finance	23.00	22.00
Planning & Construction Services	24.47	23.42
Business & Community Development	5.50	5.50
Fire Department	146.50	146.50
Police Department	184.14	182.14
Public Works	62.15	60.35
<b>TOTAL</b>	<b>606.61</b>	<b>594.51</b>

# City of Duluth Minnesota - 2018 Budget

## General Fund Personnel Summary

	2017 Budget	2018 Approved	Difference	Narrative
<b>LEGISLATIVE/EXECUTIVE</b>				
City Council	0.00	0.00	0.00	
Mayor	5.00	4.00	-1.00	Elimination of communications and policy officer position
Chief Administrative Officer	2.50	2.50	0.00	
City Attorney	17.00	16.00	-1.00	Elimination of one assistant city attorney position
<b>Department Total</b>	<b>24.50</b>	<b>22.50</b>	<b>-2.00</b>	
<b>PUBLIC ADMINISTRATION</b>				
Human Resources	11.00	10.50	-0.50	Elimination of benefits administrator position; addition of PT Org Dev
Information Technology	22.00	22.00	0.00	
City Clerk	7.00	6.00	-1.00	Elimination of executive assistant position
Park Maintenance	24.35	22.60	-1.75	Elimination of maintenance workers; addition of forester position
Library Services	46.70	46.70	0.00	
Facilities Management	25.30	24.30	-1.00	Elimination of sr clerical specialist
<b>Department Total</b>	<b>136.35</b>	<b>132.10</b>	<b>-4.25</b>	
<b>FINANCE</b>				
Budget	3.00	3.00	0.00	
Auditor	9.00	9.00	0.00	
Purchasing	2.00	2.00	0.00	
Treasurer	9.00	8.00	-1.00	Elimination of city treasurer position
<b>Department Total</b>	<b>23.00</b>	<b>22.00</b>	<b>-1.00</b>	
<b>PLANNING &amp; CONSTRUCTION SERVICES</b>				
Physical Planning	6.97	6.92	-0.05	reallocation of planners to CD
Construction Svcs & Inspection	17.50	16.50	-1.00	Elimination of info tech position
<b>Department Total</b>	<b>24.47</b>	<b>23.42</b>	<b>-1.05</b>	
<b>BUSINESS AND COMMUNITY DEVELOPMENT</b>				
Business & Comm Develop.	5.50	5.50	0.00	
<b>Department Total</b>	<b>5.50</b>	<b>5.50</b>	<b>0.00</b>	
<b>FIRE</b>				
Fire Administration	3.50	3.50	0.00	
Firefighting Operations	132.00	132.00	0.00	
Life Safety	11.00	11.00	0.00	
<b>Department Total</b>	<b>146.50</b>	<b>146.50</b>	<b>0.00</b>	
<b>POLICE</b>				
Police Administration/Patrol	184.14	182.14	-2.00	Elimination of records tech position; elimination of prop/evid tech position
<b>Department Total</b>	<b>184.14</b>	<b>182.14</b>	<b>-2.00</b>	
<b>PUBLIC WORKS</b>				
Director's Office	0.40	0.40	0.00	
Street Maintenance	45.50	44.50	-1.00	Elimination of street maintenance worker position
Engineering	16.25	15.45	-0.80	Elimination of shared sr engineering tech & info tech positions
<b>Department Total</b>	<b>62.15</b>	<b>60.35</b>	<b>-1.80</b>	
<b>TOTAL GENERAL FUND FTE'S</b>	<b>606.61</b>	<b>594.51</b>	<b>-12.10</b>	

# City of Duluth Minnesota - 2018 Budget

## Legislative and Executive Department

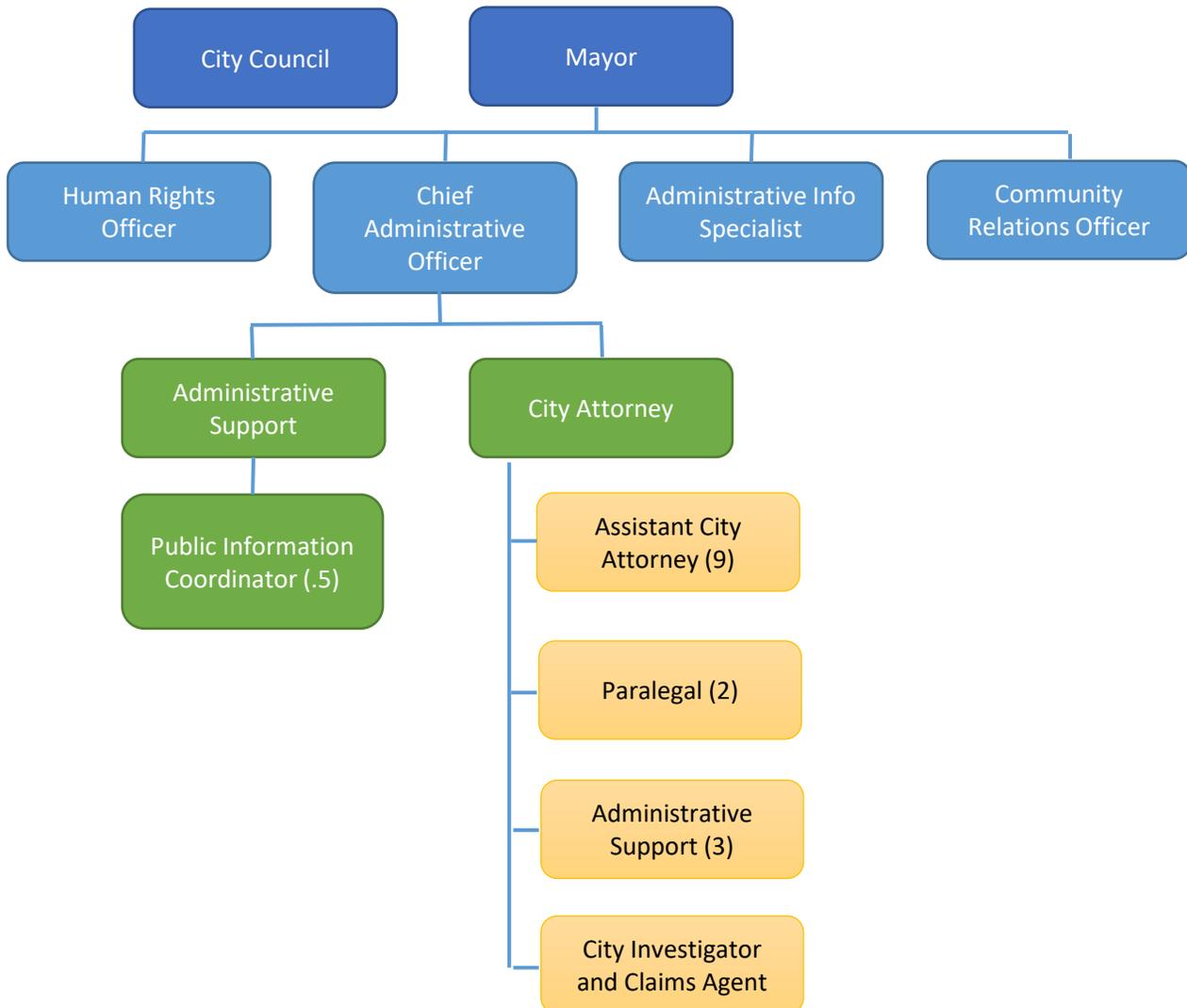
### Mission and Vision

The overall mission of this department is to consider and adopt policies, ordinances and resolutions to legislate; and to direct the functions of the organization to administer city government for the citizens of Duluth.

### Structure

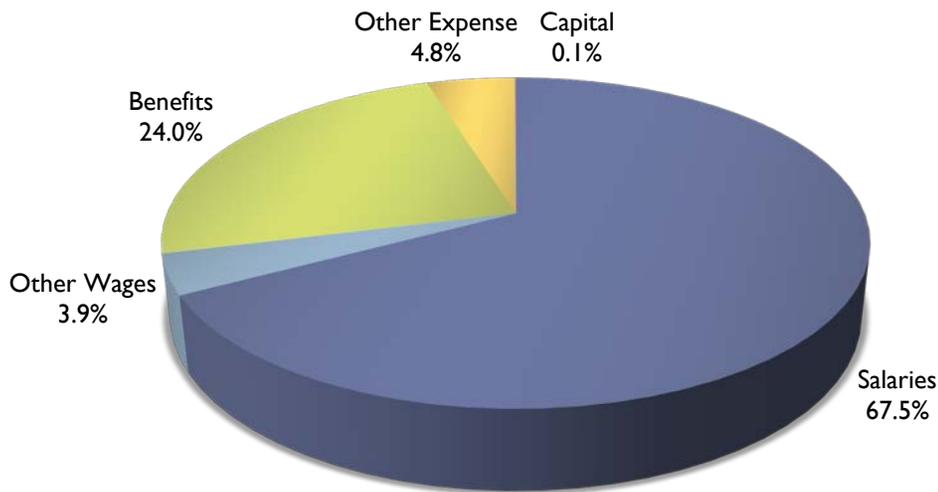
The divisions in this department are responsible for the legislative activity pursuant to City Charter; administration of the organization; enforcement and execution of City ordinances; and legal defense of the City.

### Organization Chart



# City of Duluth Minnesota - 2018 Budget

## Legislative & Executive Department 2018 Approved Budget by Expense Category



Expenditures by Category	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Permanent Salaries	1,909,445	2,036,792	2,063,100	2,086,900	23,800
Overtime	1,909	1,417	-	-	-
Other Wages	152,300	113,638	120,000	154,200	34,200
<b>Total Personal Services</b>	<b>2,063,654</b>	<b>2,151,847</b>	<b>2,183,100</b>	<b>2,241,100</b>	<b>58,000</b>
Benefits	697,788	691,787	735,800	812,700	76,900
Other Expense	109,106	119,611	146,500	133,000	(13,500)
Capital Outlay	1,835	1,819	2,000	2,000	-
<b>Department Total</b>	<b>2,872,382</b>	<b>2,965,063</b>	<b>3,067,400</b>	<b>3,188,800</b>	<b>121,400</b>

Expenditures by Division	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
City Council	149,489	154,077	179,100	204,500	25,400
Mayor's Office	392,224	384,404	438,800	478,500	39,700
Chief Admin Officer	294,387	293,937	327,300	349,400	22,100
Attorney's Office	2,036,283	2,132,645	2,122,200	2,156,400	34,200
<b>Department Total</b>	<b>2,872,382</b>	<b>2,965,063</b>	<b>3,067,400</b>	<b>3,188,800</b>	<b>121,400</b>

Budgeted FTE's	2015	2016	2017	2018	Difference
	23.50	23.50	24.50	22.50	-2.00

# City of Duluth Minnesota - 2018 Budget

## City Council

The City Council is comprised of nine members, five who serve from geographical districts and four who serve at large. Councilors serve four year terms. The Council is responsible for enacting ordinances and resolutions, adopting an annual budget, raising money for municipal functions through the approval of property tax levies, borrowing, bonding; reviewing various authorities, approving economic development plans, initiating, and approving public improvements; protecting public health, safety, and welfare through legislation and licensing.

Budgeted FTE's	2015	2016	2017	2018	Difference
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There are no fulltime, permanent employees assigned to this division.

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	-	-	-	-	-
Overtime	-	-	-	-	-
Other Wages	89,964	89,964	90,000	124,200	34,200
Total Salaries	89,964	89,964	90,000	124,200	34,200
Benefits	6,762	7,761	6,900	11,600	4,700
Other Expense					
Materials & Supplies	1,142	204	2,800	1,300	(1,500)
Services	19,368	44,085	24,000	14,000	(10,000)
Utilities & Maintenance	15,219	2,850	44,200	44,200	-
Other	17,033	9,213	11,200	9,200	(2,000)
Total Other Expense	52,762	56,352	82,200	68,700	(13,500)
<b>Division Total</b>	<b>149,489</b>	<b>154,077</b>	<b>179,100</b>	<b>204,500</b>	<b>25,400</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>City Council - 110-110-1101</b>				
PERSONAL SERVICES				
5103 Other Wages	89,964	89,964	90,000	124,200
TOTAL	89,964	89,964	90,000	124,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	500	1,499	-	2,100
5122 FICA - Social Security	4,958	4,958	5,600	7,700
5123 FICA - Medicare	1,304	1,304	1,300	1,800
TOTAL	6,762	7,761	6,900	11,600
OTHER EXPENDITURES				
5200 Office Supplies	471	-	1,000	-
5201 Computer Supplies/Software	368	140	1,000	1,000
5202 Audiovisual & Photography	-	-	500	-
5219 Other Miscellaneous Supplies	303	64	300	300
5319 Other Professional Services	18,368	36,452	10,000	5,000
5331 Travel/Training	989	6,165	12,000	7,000
5355 Printing & Copying	11	1,468	2,000	2,000
5456 Equipment/Machinery Repair & Mtc	17	-	-	-
5404 Equipment/Machinery Repair & Mtc	4,086	2,850	3,700	3,700
5414 Software Licenses & Mtce Agreements	11,116	-	40,500	40,500
5433 Dues & Subscription	742	298	1,000	1,000
5441 Other Services & Charges	10,904	5,381	8,000	6,000
5443 Board & Meeting Expenses	5,387	3,534	2,200	2,200
TOTAL	52,762	56,352	82,200	68,700
<b>DIVISION TOTAL</b>	149,489	154,077	179,100	204,500

# City of Duluth Minnesota - 2018 Budget

## Mayor's Office

The Mayor's Office provides leadership and direction to the Executive Branch of city government. The Mayor serves as chief executive officer of the City, provides leadership to the community and serves as the identifiable representative of the City. The Mayor's Office provides policy initiatives to the City Council to help direct the vision of the community.

Budgeted FTE's	2015	2016	2017	2018	Difference
Mayor	1.0	1.0	1.0	1.0	-
1070 Comm Relations Officer	2.0	2.0	2.0	1.0	(1.0)
1050 Human Rights Officer	-	-	1.0	1.0	-
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
<b>Division Total</b>	<b>4.0</b>	<b>4.0</b>	<b>5.0</b>	<b>4.0</b>	<b>-1.0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	255,128	262,963	304,500	313,900	9,400
Overtime	65	408	-	-	-
Other Wages	7,134	956	-	-	-
Total Salaries	262,326	264,327	304,500	313,900	9,400
Benefits	115,450	96,662	119,700	150,000	30,300
Other Expense					
Materials & Supplies	999	350	1,700	1,700	-
Services	9,016	10,809	5,100	5,100	-
Other	4,433	12,255	7,800	7,800	-
Total Other Expense	14,447	23,415	14,600	14,600	-
<b>Division Total</b>	<b>392,224</b>	<b>384,404</b>	<b>438,800</b>	<b>478,500</b>	<b>39,700</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Mayor's Office - 110-110-1102</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	255,128	262,963	304,500	313,900
5101 Premium Pay	65	408	-	-
5103 Other Wages	7,134	956	-	-
TOTAL	262,326	264,327	304,500	313,900
EMPLOYEE BENEFITS				
5121 PERA Retirement	16,226	15,847	21,900	22,800
5122 FICA - Social Security	15,756	16,033	18,900	19,500
5123 FICA - Medicare	3,685	3,750	4,400	4,600
5125 Dental Insurance	1,457	1,355	1,500	1,500
5126 Life Insurance	705	594	700	700
5127 Health Care Savings Plan (HCSP)	20,263	3,032	3,500	21,700
5130 Cafeteria Plan Benefits	57,359	55,604	68,800	79,200
5133 Health or Fitness Program	-	448	-	-
TOTAL	115,450	96,662	119,700	150,000
OTHER EXPENDITURES				
5200 Office Supplies	847	350	1,000	1,000
5219 Other Miscellaneous Supplies	8	-	500	500
5241 Small Equip-Office/Operating	143	-	200	200
5320 Data Services	500	-	-	-
5321 Phone Service Cellular Phone	1,411	1,475	-	-
5322 Postage	-	-	100	100
5331 Travel/Training	6,988	8,507	3,000	3,000
5355 Printing & Copying	29	719	2,000	2,000
5356 Copier, Printer Lease & Supplies	88	108	-	-
5433 Dues & Subscription	403	338	300	300
5441 Other Services & Charges	-	1,750	1,500	1,500
5443 Board & Meeting Expenses	1,913	5,170	1,000	1,000
5444 Mayor's Contingent Account	2,117	4,997	5,000	5,000
TOTAL	14,447	23,415	14,600	14,600
<b>DIVISION TOTAL: MAYOR'S OFFICE</b>	<b>392,224</b>	<b>384,404</b>	<b>438,800</b>	<b>478,500</b>

# City of Duluth Minnesota - 2018 Budget

## Chief Administrative Officer

The Chief Administrative Officer (CAO) serves the City under the guidelines established by the home rule charter. The CAO is appointed by and serves at the pleasure of the Mayor. The CAO appoints the department directors, except the City Attorney who is appointed by the Mayor. The CAO is responsible for the day to day operations of the departments of the City and to promulgate the policy directives of the Mayor and the City Council.

Budgeted FTE's	2015	2016	2017	2018	Difference
Res Chief Admin Officer	1.0	1.0	1.0	1.0	-
9 Executive Assistant	1.0	1.0	1.0	1.0	-
135 Public Info Coordinator	-	-	0.5	0.5	-
126 Information Technician	0.5	0.5	-	-	-
Division Total	2.5	2.5	2.5	2.5	0

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	189,941	200,575	221,500	225,400	3,900
Overtime	1,301	331	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	191,242	200,906	221,500	225,400	3,900
Benefits	94,677	87,320	95,200	113,400	18,200
Other Expense					
Materials & Supplies	619	87	2,000	2,000	-
Services	3,876	2,876	2,300	2,300	-
Utilities & Maintenance	-	-	300	300	-
Other	3,974	2,748	6,000	6,000	-
Total Other Expense	8,468	5,711	10,600	10,600	-
Division Total	294,387	293,937	327,300	349,400	22,100

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Chief Administrative Officer - 110-110-1103</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	189,941	200,575	221,500	225,400
5101 Premium Pay	1,301	331	-	-
5103 Other Wages	-	-	-	-
TOTAL	191,242	200,906	221,500	225,400
EMPLOYEE BENEFITS				
5121 PERA Retirement	14,302	14,796	16,500	16,900
5122 FICA - Social Security	10,880	11,366	13,700	14,000
5123 FICA - Medicare	2,717	2,860	3,200	3,300
5125 Dental Insurance	868	857	900	900
5126 Life Insurance	420	376	500	400
5127 Health Care Savings Plan (HCSP)	20,502	14,141	15,200	27,200
5130 Cafeteria Plan Benefits	44,988	42,925	45,200	50,700
5133 Health or Fitness Program	-	-	-	-
TOTAL	94,677	87,320	95,200	113,400
OTHER EXPENDITURES				
5200 Office Supplies	619	87	1,000	1,000
5201 Computer Supplies/Software	-	-	500	500
5219 Other Miscellaneous Supplies	-	-	500	500
5321 Phone Service Cellular Phone	825	600	-	-
5331 Travel/Training	2,826	2,235	2,000	2,000
5356 Copier, Printer Leases & Supplies	225	41	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	300	300
5418 Vehicle/Equip Lease (Long-term)	-	-	300	300
5433 Dues & Subscription	3,635	2,700	500	500
5435 Books & Pamphlets	-	-	500	500
5441 Other Services & Charges	109	-	4,000	4,000
5443 Board & Meeting Expenses	230	48	1,000	1,000
TOTAL	8,468	5,711	10,600	10,600
<b>DIVISION TOTAL</b>	294,387	293,937	327,300	349,400

# City of Duluth Minnesota - 2018 Budget

## City Attorney's Office

Provides legal advice and services to the City and related agencies.

Budgeted FTE's	2015	2016	2017	2018	Difference
Res City Attorney	1.0	1.0	1.0	1.0	-
Assistant Attorney	11.0	10.0	10.0	9.0	(1.0)
10 Claims Adjuster	1.0	1.0	1.0	1.0	-
131 Paralegal	2.0	2.0	1.0	1.0	-
131 Prosecution Assistant	-	1.0	1.0	1.0	-
6 Sr Secretarial Spec	1.0	-	-	-	-
129 Admin Legal Assistant	1.0	2.0	3.0	3.0	-
Division Total	17.0	17.0	17.0	16.0	-1.0

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	1,464,376	1,573,254	1,537,100	1,547,600	10,500
Overtime	543	678	-	-	-
Other Wages	55,202	22,718	30,000	30,000	-
Total Salaries	1,520,121	1,596,650	1,567,100	1,577,600	10,500
Benefits	480,898	500,043	514,000	537,700	23,700
Other Expense					
Materials & Supplies	3,789	4,576	3,300	3,300	-
Services	13,779	14,118	12,400	12,400	-
Other	15,860	15,439	23,400	23,400	-
Total Other Expense	33,428	34,133	39,100	39,100	-
Capital Outlay	1,835	1,819	2,000	2,000	-
Division Total	2,036,283	2,132,645	2,122,200	2,156,400	34,200

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>City Attorney's Office - 110-110-1104</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	1,464,376	1,573,254	1,537,100	1,547,600
5101 Premium Pay	543	678	-	-
5103 Other Wages	55,202	22,718	30,000	30,000
TOTAL	1,520,121	1,596,650	1,567,100	1,577,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	109,219	117,393	122,900	118,300
5122 FICA - Social Security	90,492	95,306	103,400	97,800
5123 FICA - Medicare	21,530	22,563	24,200	22,900
5125 Dental Insurance	6,005	6,293	6,300	6,000
5126 Life Insurance	2,781	2,741	3,100	2,900
5127 Health Care Savings Plan (HCSP)	63,856	49,180	29,000	28,500
5130 Cafeteria Plan Benefits	186,017	205,266	225,100	261,300
5133 Health or Fitness Program	1,000	1,302	-	-
TOTAL	480,898	500,043	514,000	537,700
OTHER EXPENDITURES				
5200 Office Supplies	3,789	4,576	3,300	3,300
5304 Legal Services	98	528	2,000	2,000
5321 Phone Service Cellular Phone	1,800	1,800	2,200	2,200
5331 Travel/Training	9,533	9,713	6,000	6,000
5335 Local Mileage Reimbursement	905	1,020	1,000	1,000
5355 Printing & Copying	22	-	-	-
5356 Copier, Printer Lease & Supplies	1,420	1,058	1,200	1,200
5414 Software Licenses & Maintenance	-	1,425	1,400	1,400
5433 Dues & Subscription	15,292	9,292	15,000	15,000
5441 Other Services & Charges	568	4,721	7,000	7,000
TOTAL	33,428	34,133	39,100	39,100
CAPITAL OUTLAY				
Library Materials	1,835	1,819	2,000	2,000
TOTAL	1,835	1,819	2,000	2,000
<b>DIVISION TOTAL</b>	2,036,283	2,132,645	2,122,200	2,156,400

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>City Attorney's Office - 110-110-1104</b>				
REVENUE SOURCE				
4319 Attorney Fees	5,025	3,725	4,000	4,000
4644 Miscellaneous Fees, Sales, Services	6,958	4,931	1,000	1,000
4654 Other Reimbursements	320	-	-	-
4730 Transfer from Police Grant Fund	1,124	-	-	-
<b>DIVISION TOTAL</b>	13,427	8,656	5,000	5,000

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department

### Mission and Vision

The Department of Public Administration exists to cost-effectively provide two categories of public services:

1. **Internal services** such as those provided by Human Resources, Fleet Services, Property and Facilities Management, and Information Technology whose role is to increase the capacity of other City departments to serve the public well.
2. **Community services** such as those provided by Parks and Recreation, Park Maintenance, Library, and City Clerk.

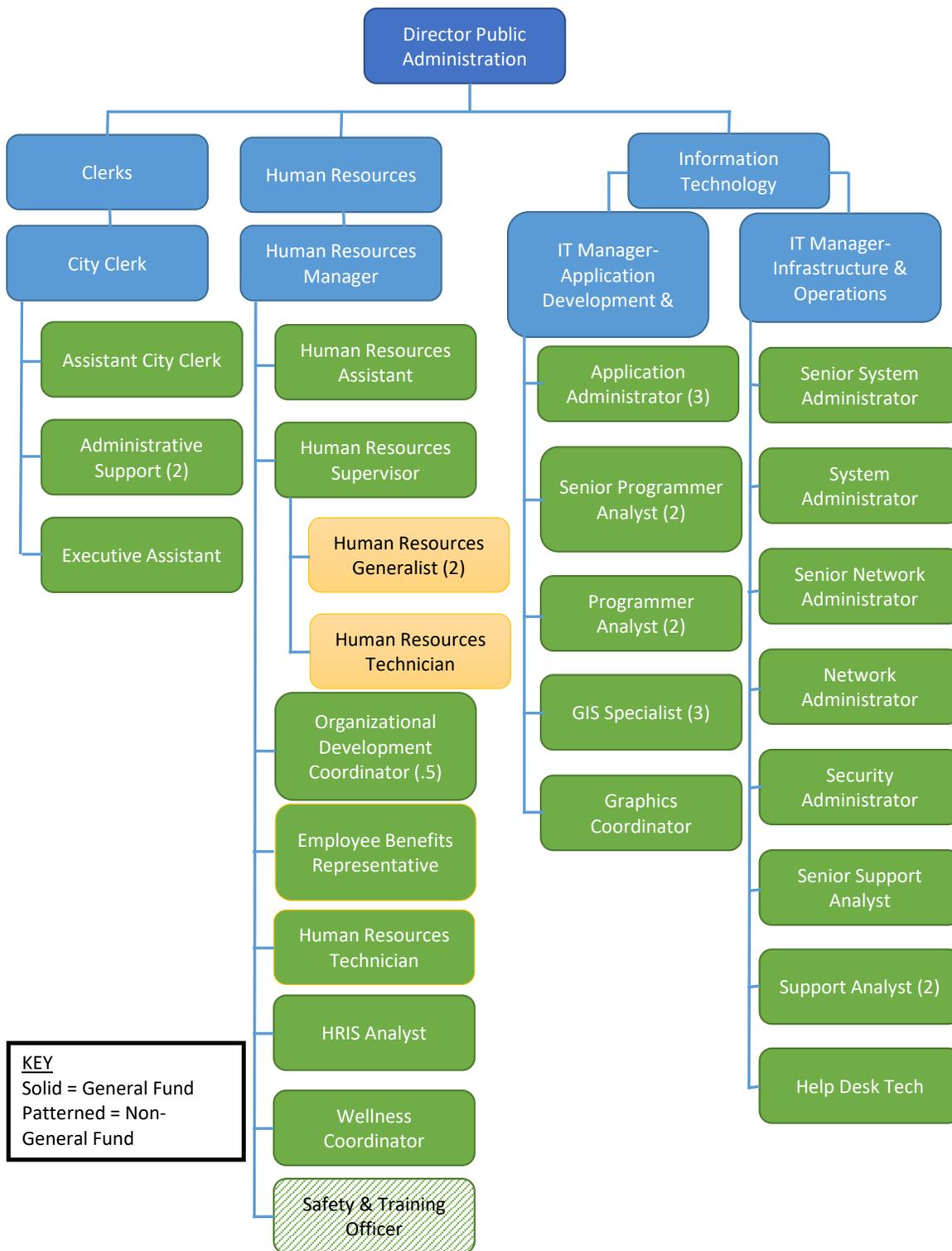
### Structure

The Department of Public Administration brings together and coordinates eight interrelated divisions: City Clerk, Human Resources, Information Technology, Library, Property and Facilities Management, Parks and Recreation, Park Maintenance, and Fleet Services. One manager oversees both Park Maintenance and Property and Facilities Management. Two managers oversee Information Technology. Parks and Recreation and portions of Park Maintenance are funded by the Parks Fund. Fleet Services is managed within a separate internal service fund with revenues paid from the General Fund. All other divisions operate primarily from the General Fund.

# City of Duluth Minnesota - 2018 Budget

## Public Administration

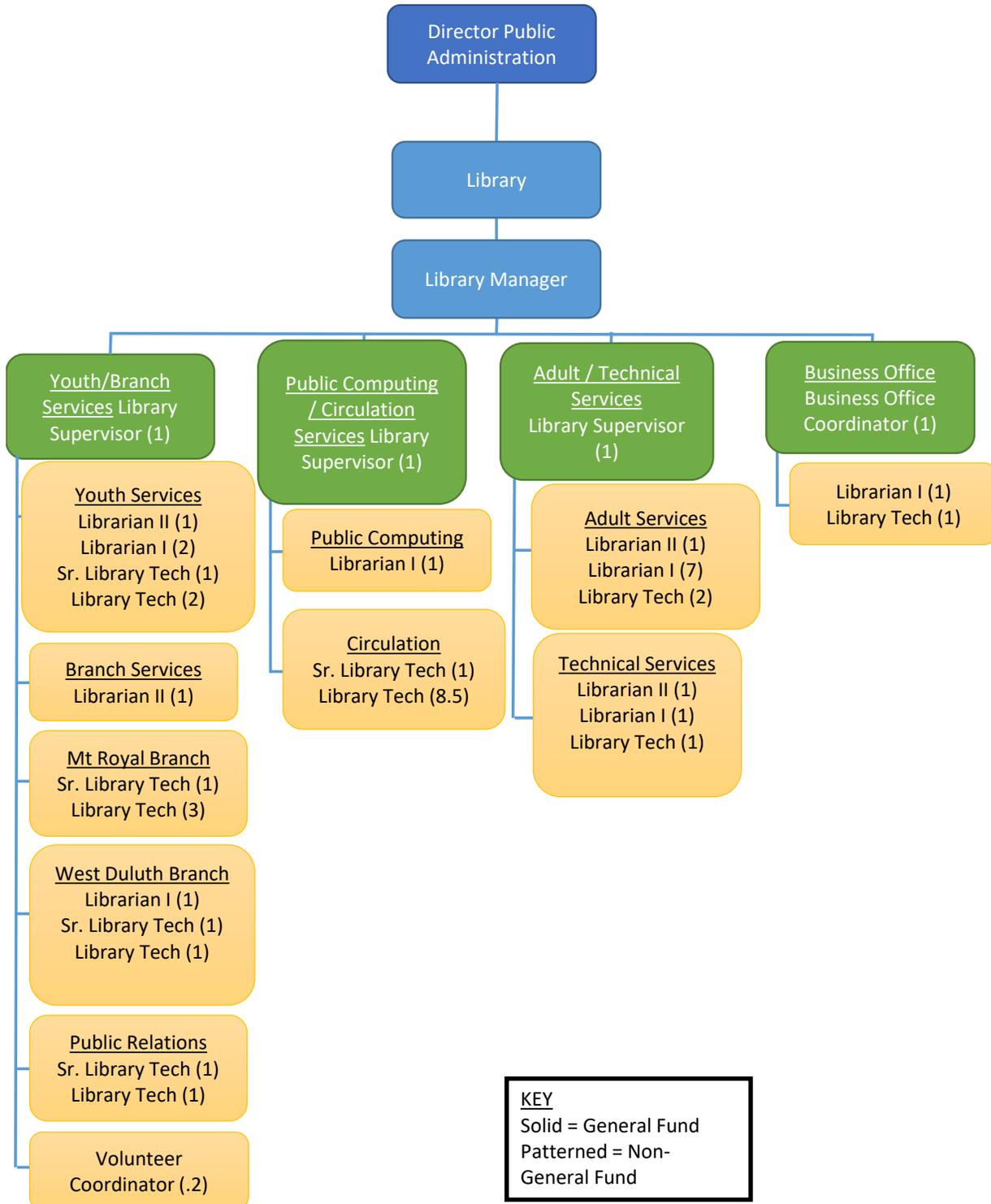
### Organization Chart



# City of Duluth Minnesota - 2018 Budget

## Public Administration

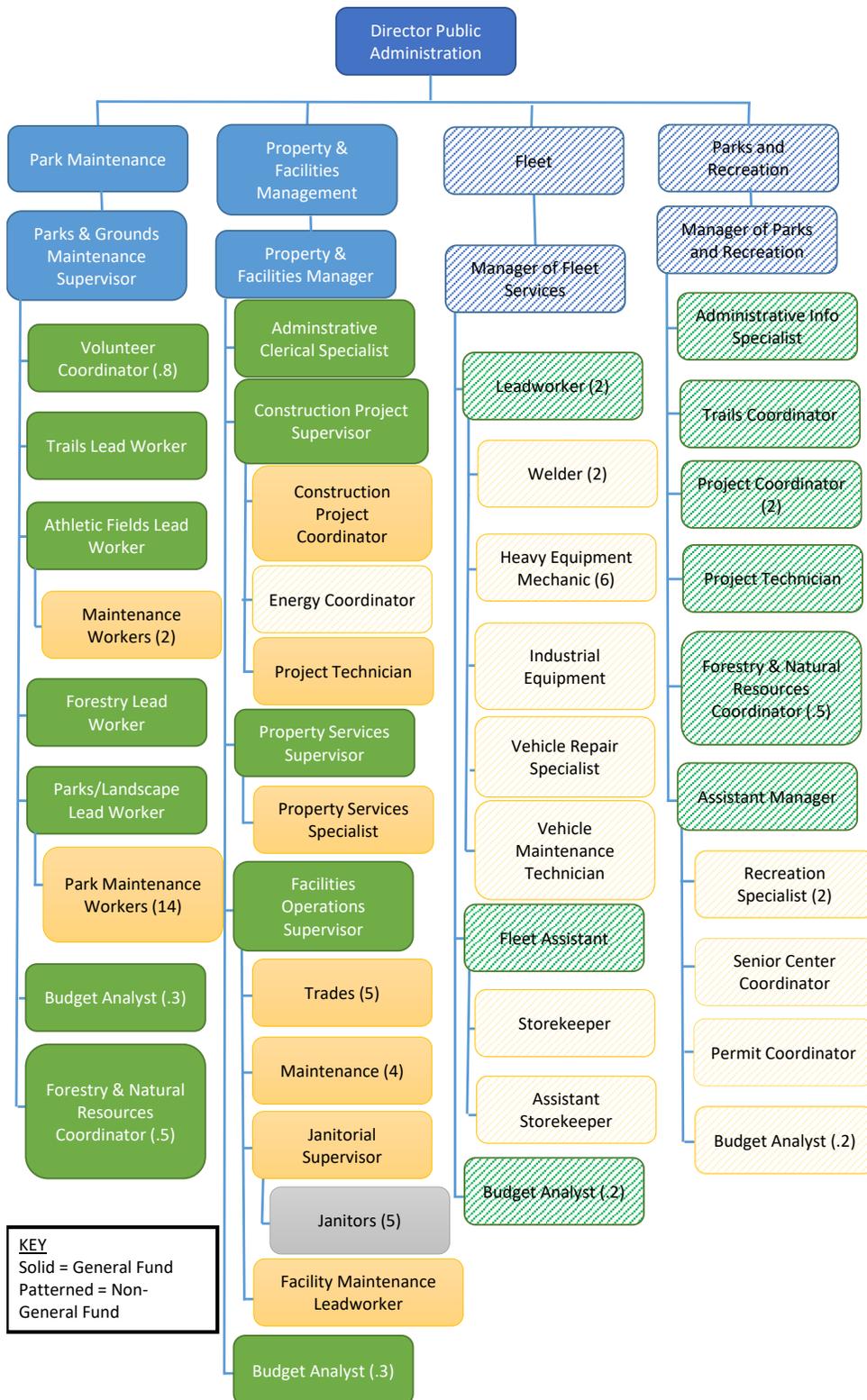
### Organization Chart - Continued



# City of Duluth Minnesota - 2018 Budget

## Public Administration

### Organization Chart - Continued



# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### City Clerk

**Goal:** Improve the records management program.

**Objective:** Implement new systems for record organization, retention and availability.

**Strategy:**

1. Train department coordinators.
2. Assess records management in each department.
3. Help departments set and meet implementation deadlines.

**Measurements and Performance:** Percentage of divisions completed

Citywide inventory of department records

2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
0%	40%	40%	75%	Completed

Implementation of new citywide records retention compliance schedule

2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
0%	40%	40%	75%	Completed

**Goal:** Preserve historic City Council official proceedings and make them easily available.

**Objective:** Convert official proceedings from microfilm to digital and post online.

**Strategy:**

1. Scan and index official proceedings on 400 microfilm reels to digital format.
2. Post on City website in easily searchable form.
3. Educate citizens, staff, and Council how to access official proceedings online.

**Measurements and Performance:** Percentage of all proceedings completed

Complete conversion of all microfilmed Council proceeds

2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
0%	100%	0%	100%	

Post official proceedings on website in easily searchable form

2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
0%	100%	0%	100%	

**Goal:** Implement new and improved electronic data request submission, tracking, and response system.

**Objective:** Establish clear, simple, speedy process for submitting, tracking and responding to data requests.

**Strategy:**

1. Design system in partnership with City Attorney.
2. Educate City organization about new system.
3. Establish IT-based system for data request submission, tracking, and response.
4. Measure and internally report results.

**Measurements and Performance:** Percentage of responses returned within two weeks of receipt of request.

2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
NA	NA	NA	50%	100%

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### City Clerk - Continued

<p><b>Goal:</b> Increase election participation.</p> <p><b>Objective:</b> Develop and implement plan to encourage voting and lower barriers to election participation.</p> <p><b>Strategy:</b></p> <ol style="list-style-type: none"> <li>1. Develop practicable plan.</li> <li>2. Implement plan.</li> <li>3. Measure results and refine plan.</li> </ol>				
<b>Measurements and Performance:</b>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
NA	NA	NA	Develop plan	Implement plan and measure results

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Parks and Recreation (Special Revenue Fund)

**Goal:** Develop and adequately fund a financially sustainable, comprehensive long-range park and trail facility maintenance plan.

**Objective:** Collect and analyze the park and trail facility inventory and assessment data that is necessary for a comprehensive long term facility plan.

**Strategy:** 1. Inventory park and trail assets in tier 1 and tier 2 parks.  
2. Assess condition, deferred maintenance costs, lifespan, and Current Replacement Value (CRV).  
3. Develop Asset Priority Index (API) and apply to asset inventory.

**Measurements and Performance:**

% assessed

2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
0	0	10%	50%	100%

**Goal:** Develop and implement plan for City provision of recreational services

**Objective:** Identify community recreation needs and assess capacity of the City to meet those needs.

**Strategy:** 1. Quantify the City's current and potential capacity to deliver recreational services.  
2. Quantify existing external offerings.  
3. Assess need within community and determine service gaps

**Measurements and Performance:**

% Identification of existing offerings against community need

2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
0	0	0	75%	100%

**Goal:** Create and implement a Parks and Recreation marketing, communications, and outreach plan.

**Objective:** Educate public on full breadth of recreation offerings and efforts made by division and partners.

**Strategy:** 1. Quantify the City's current and potential marketing, communications, and outreach capacity.  
2. Evaluate effectiveness of existing and potential tools.  
3. Develop and advance marketing, communications, and outreach plan,

**Measurements and Performance:**

% Marketing plan developed and implemented

2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
0	0	0	75%	100%

**Goal:** Establish the St. Louis River Corridor as an outdoor recreation hub for residents and visitors.

**Objective:** Complete high quality park and trail construction projects at a sustainable pace.

**Strategy:** 1. Meet or make progress toward individual project fundraising goals.  
2. Design, bid, and successfully oversee projects that are ready for construction.  
3. Prepare other projects for construction in future years.

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Fleet Services (Internal Service Fund)

**Goal:** Enhance communication and collaboration with Fleet Services customers.  
**Objective:** Increase availability, clarity, and utility of information for Fleet customers.  
**Strategy:** 1. Implement information recording standards and policies.  
 2. Tailor the volume, frequency, and content of repair information to customer-specific needs.  
 3. Establish clear communication roles, responsibilities, and channels between Fleet and customers  
 4. Establish customer feedback measurement and reporting systems focused on annual customer surveys and annual customer meetings.

**Measurements and Performance:**  
 Overall customer satisfaction based on surveys and direct customer feedback.

2017 Estimate	2017 Actual	2018 Target	2019 Target
Develop and administer customer survey to establish baseline. Present results.	Survey complete but not administered.	Administer survey. Present results. Make changes based on feedback.	Make changes based on customer feedback. Customer survey results improve.

**Goal:** Fully implement all aspects of the new Fleet Information Management System (FIMS).  
**Objective:** Use FIMS to improve inventory management, workflow, and capital replacement.  
**Strategy:** 1. Reduce inventory by using sales records, stocking guides, and obsolescence reporting.  
 2. Reduce downtime by using time tracking and repair history tracking to manage work flow.  
 3. Use asset life cycle reporting to develop evidence based vehicle replacement plans.

**Measurements and Performance:**  
 Reduce overall inventory.

2017 Estimate	2017 Actual	2018 Target	2019 Target
Establish baseline.	Baseline established	Reduce by 1-10%	Reduce by 10% +

Reduce unit downtime.

2017 Estimate	2017 Actual	2018 Target	2019 Target
Establish baseline.	Baseline established	Reduce by 1-10%	Reduce by 10% +

**Goal:** Assess and improve functionality of Fleet building and grounds.  
**Objective:** Plan changes to the layout of the Fleet facility based on current needs.  
**Strategy:** 1. Identify and prioritize facility needs on the repair floor and in the parts department.  
 2. Develop and implement action plan in partnership with Property and Facilities Management.

**Measurements and Performance:** Level of completion of facility reconfiguration.

2017 Estimate	2017 Actual	2018 Target	2019 Target
Complete assessment	Parts department assessment complete. Moving forward on recommendations	Begin reconfiguration.	Complete reconfiguration.

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Fleet Services (Internal Service Fund) - Continued

<p><b>Goal:</b> Utilize most cost-effective method for allocating Fleet expenses to internal customers.</p> <p><b>Objective:</b> Determine and implement most cost-effective method for allocating Fleet expenses.</p> <p><b>Strategy:</b> 1. Utilize industry guidelines for fleet expense allocation to determine best method for Duluth. 2. Select and implement appropriate method.</p> <p><b>Measurements and Performance:</b></p>				
<b>2018 Target</b>	<b>2019 Target</b>	<b>2020 Target</b>		
<p><b>Goal:</b> Improve the City's process for planning and purchasing vehicles and equipment.</p> <p><b>Objective:</b> Clarify and refine role of Fleet Services in capital equipment planning and purchasing.</p> <p><b>Strategy:</b> 1. Draw on best practices for fleet capital planning and purchasing to shape Fleet's role. 2. Design and implement new role.</p> <p><b>Measurements and Performance:</b></p>				
<b>2018 Target</b>	<b>2019 Target</b>	<b>2020 Target</b>		
Craft role of Fleet in fleet capital planning and purchasing and begin to reshape processes accordingly.	Fully implement new role of Fleet in fleet capital planning and purchasing.	Refine capital planning and purchasing process.		

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Information Technology

<b>Goal: Improve efficiency and effectiveness of IT services.</b>				
<b>Objective:</b> Implement new and improved IT systems for managing IT services.				
<b>Strategy:</b> 1. Implement IT project management framework.				
2. Expand scope of IT change management system for all enterprise systems.				
3. Implement online support ticketing.				
<b>Measurements and Performance:</b>				
Adherence to established project plan timelines				
<b>2016 Estimate</b> 50%	<b>2017 Target</b> 60%	<b>2017 Actual</b> 50%	<b>2018 Target</b> 70%	<b>2019 Target</b>
Change management documentation in place for all enterprise systems				
<b>2016 Estimate</b> 60%	<b>2017 Target</b> 80%	<b>2017 Actual</b> 90%	<b>2018 Target</b> 100%	<b>2019 Target</b>
Reduce manual entry of support tickets				
<b>2016 Estimate</b> 35% Email, 65% Phone, 0% Online	<b>2017 Target</b> 35% Email, 55% Phone, 10% Online	<b>2017 Actual</b> 35% Email, 65% Phone, 0% Online	<b>2018 Target</b> 0% Email, 30% Phone, 70% Online	<b>2019 Target</b>
Increased customer satisfaction results				
<b>2016 Estimate</b> Business Enablement 76%, IT Communication 79%, Services 79%, Applications 72%	<b>2017 Target</b>  Increase	<b>2017 Actual</b>  Unmeasured due to budget cuts	<b>2018 Target</b>  Increase	<b>2019 Target</b>

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Information Technology - Continued

<b>Goal:</b> Improve end user security awareness				
<b>Objective:</b> Implement training and testing of end user security				
<b>Strategy:</b> 1. Train all users on general user security at least annually. 2. Improve phishing and vishing awareness. 3. Track and monitor PCI end user training to ensure compliance.				
<b>Measurements and Performance:</b>				
Implement end user training schedule with tracking				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2017 Actual</b>	<b>2018 Target</b>	<b>2019 Target</b>
N/A	100%	100%	100%	
Reduction in simulated phishing failures				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2017 Actual</b>	<b>2018 Target</b>	<b>2019 Target</b>
14%	10%	9%	5%	
Ensure 100% adherence to training requirements				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2017 Actual</b>	<b>2018 Target</b>	<b>2019 Target</b>
0%	100%	87%	100%	

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Human Resources

<p><b>Goal:</b> Improve supervisory support for all employees.</p> <p><b>Objective:</b> Improve the coaching, supervision, evaluation, and development of City employees.</p> <p><b>Strategy:</b> 1. Develop new leadership competency model.                  2. Design and implement supervisory development program for new supervisors.                  3. Implement new performance evaluation process with all employees.</p> <p><b>Measurements and Performance:</b></p> <p>% of leadership competency model complete</p>				
2016 Estimate 25%	2017 Target 100%	2017 Actual 30%	2018 Target 100%	2019 Target
<p>% of supervisory development program implemented</p>				
2016 Estimate	2017 Target 50%	2017 Actual 25%	2018 Target 100%	2019 Target
<p>Create and Implement new performance review process with 100% participation.</p>				
2016 Estimate 40%	2017 Target 100%	2017 Actual 94%	2018 Target 100%	2019 Target

<p><b>Goal:</b> Increase the ability of HR to strengthen organizational effectiveness City-wide.</p> <p><b>Objective:</b> Develop new HR strategic plan.</p> <p><b>Strategy:</b> 1. Forecast HR needs based on organizational goals and external circumstances.                  2. Develop HR strategies to support organizational effectiveness.</p> <p><b>Measurements and Performance:</b></p> <p>% of HR strategic plan completed</p>				
2016 Estimate 30%	2017 Target 100%	2017 Actual 50%	2018 Target 100%	2019 Target

<p><b>Goal:</b> Create more diverse, inclusive, and respectful City workplaces.</p> <p><b>Objective:</b> Develop and implement plan for increasing diversity and inclusiveness in City workplaces.</p> <p><b>Strategy:</b> 1. Assess work cultures via survey.                  2. Identify employee needs at each site.                  3. Equip leaders to teach and uphold inclusive and respectful behavior.</p>				
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# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Human Resources - Continued

<p><b>Goal:</b> Support the health and wellbeing of all City employees and families.  <b>Objective:</b> Actively encourage healthy behaviors among City employees, retirees and dependents.  <b>Strategy:</b> 1. Analyze current employee needs.                  2. Develop programming designed to increase employees' awareness and practice of healthy behaviors.                  3. Track wellness program activities to align programming with participants' needs and interests.  <b>Measurements and Performance:</b></p> <p>Increase in biometric screening participants from calendar year 2016.</p>				
2016 Estimate	2017 Target 10% increase	2017 Actual	2018 Target 20% increase	2019 Target
Increased employee participation in wellness events (yoga, Diabetes Prevention Program, Financial Well-being				
2016 Estimate	2017 Target 10% increase	2017 Actual	2018 Target 10% increase	2019 Target

<p><b>Goal:</b> Create work environments and cultures that support the safety of our employees.  <b>Objective:</b> Empower employees to engage in, contribute to, and take ownership of the safety program in their  <b>Strategy:</b> 1. Analyze current safety training needs.                  2. Provide job-specific safety training to employees.                  3. Support and grow division-level safety committees and accident review boards.  <b>Measurements and Performance:</b></p> <p>Completion of feedback from employees, unions and from supervisors/managers.</p>				
2016 Estimate 20%	2017 Target 100%	2017 Actual 80%	2018 Target 100%	2019 Target
Improvement in annual employee ratings of workplace safety.				
2016 Estimate	2017 Target 70% average positive response	2017 Actual	2018 Target 80% average positive response	2019 Target

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Library

<p><b>Goal:</b> Improve early literacy to increase school readiness.</p> <p><b>Objective:</b> Increase the capacity of the library to improve early literacy</p> <p><b>Strategy:</b> 1. Build partnerships with Duluth-area early literacy organizations 2. Enrich library's early literacy collection 3. Develop plan for 2018 launch of early literacy initiative</p> <p><b>Measurements and Performance:</b> Library early literacy initiative developed</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
	Initiative 50% complete	Initiative 25% complete	Initiative 25% complete	Initiative 50% complete
Early literacy specialist hired to implement initiative				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
				Specialist hired
Preschool nonfiction collection enhanced				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
	Stand alone collection in place	Collection enhanced but not separated into stand alone	Stand alone collection in place	Collection enhanced

<p><b>Goal:</b> Adopt supported self-service model to increase opportunity for staff to teach and inspire users</p> <p><b>Objective:</b> Remove barriers that discourage patrons from choosing supported self-service</p> <p><b>Strategy:</b> 1. Implement credit card processing 2. Implement PC management system 3. Prepare plan for 2018 in-library campaign to encourage patrons to try self-service. 4. Identify and lower other barriers to self-service</p> <p><b>Measurements and Performance:</b> Increase percentage of self-service checkouts</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
37%	40%	39%	45%	50%
Take advantage of staff time freed by self-service to identify and implement value-added services/projects.				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
	1 service/project identified	1 service identified (virtual library cards)	Service/project implemented	New service/project identified

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Library - Continued

<p><b>Goal:</b> Raise public awareness of library to increase use  <b>Objective:</b> Improve effectiveness of ongoing promotions and conduct broader public awareness  <b>Strategy:</b> 1. Develop, fund, and implement PR campaign to increase use                  2. Develop plan to make ongoing promotions more targeted, effective, and efficient.                  3. Implement virtual library card program in partnership with Duluth Public Schools.</p> <p><b>Measurements and Performance:</b></p>				
Items checked out				
<b>2016 Estimate</b> 807,000	<b>2017 Target</b> 925,000	<b>2017 Actual</b> 841,603	<b>2018 Target</b> 850,000	<b>2019 Target</b> 875,000
Library card holders				
<b>2016 Estimate</b> 45,000	<b>2017 Target</b> 47,000	<b>2017 Actual</b> 42,674	<b>2018 Target</b> 45,000	<b>2019 Target</b> 47,000
Attendance at programs				
<b>2016 Estimate</b> 21,000	<b>2017 Target</b> 22,000	<b>2017 Actual</b> 27,789	<b>2018 Target</b> 30,000	<b>2019 Target</b> 32,000

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Property and Facilities Management

<p><b>Goal:</b> Improve internal property and real estate service,</p> <p><b>Objective:</b> Establish a high-performance property management service for internal and external customers</p> <p><b>Strategy:</b> 1. Standardize property and real estate functions relating to the sale, purchase, leasing, and management of City property.</p> <p>2. Identify and prepare appropriate City properties for sale.</p> <p><b>Measurements and Performance:</b></p> <p>1. Proceeds from sale of surplus property.</p>				
<b>2017 Estimate</b>	<b>2017 Actual</b>	<b>2018 Estimate</b>	<b>2019 Estimate</b>	
Present proposed list of properties to be sold to administration.	Incomplete	Present proposed list of properties to be sold to administration.	Implement the process to sell surplus property.	
<p>2. Standardize lease, development and other associated agreements with all City partners</p>				
<b>2017 Estimate</b>	<b>2017 Actual</b>	<b>2018 Estimate</b>	<b>2019 Estimate</b>	
Align new and renewed agreements with standards.	PFM made great progress improving agreements as they came forward	Align new and renewed agreements with standards.	Align new and renewed agreements with standards.	
<p>3. Internal customer satisfaction.</p>				
<b>2017 Estimate</b>	<b>2017 Actual</b>	<b>2018 Estimate</b>	<b>2019 Estimate</b>	
Survey internal customers. Establish baseline.	Survey not completed. Feedback has been positive	Survey internal customers. Establish baseline.	Incremental improvement from baseline.	

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Property and Facilities Management Continued

<b>Goal:</b> Reduce environmental harms associated with City operations.				
<b>Strategy:</b> 1. Approve a 30-year Energy Plan to guide City operations				
2. Develop capital plans and projects for implementation				
3. Develop policy, procedures and educational programs to align City activities with the plan.				
<b>Measurements and Performance:</b>				
1. Completion and approval of Energy Plan to guide energy policy for the next 30-years.				
<b>2017 Estimate</b>	<b>2017 Actual</b>	<b>2018 Estimate</b>	<b>2019 Estimate</b>	
Mayoral approval and roll-out	Energy plan to reduce GHG by 80% by 2050 - 15% reduction from Community Solar and Steam Plant	3-5% reduction in GHG through implementation of projects	3-5% reduction in GHG through implementation of projects	
2. Develop capital plans and projects that reduce carbon emissions.				
<b>2017 Estimate</b>	<b>2017 Actual</b>	<b>2018 Estimate</b>	<b>2019 Estimate</b>	
Capital projects reduce City emissions by 3.5%	15% reduction	Projects reduce emissions from City operations by 3.5%	Projects reduce emissions from City operations by 3.5%	
3. Develop citywide operational policies and practices necessary to reduce emissions.				
<b>2017 Estimate</b>	<b>2017 Actual</b>	<b>2018 Estimate</b>	<b>2019 Estimate</b>	
Approve plan.	Plan approved, policies in development for 2018	Implement plan in 2018	Increase organizational participation 25%	
4. Leverage the Climate Smart exchange program with UM and Germany to reduce City emissions.				
<b>2017 Estimate</b>	<b>2017 Actual</b>	<b>2018 Estimate</b>	<b>2019 Estimate</b>	
Implement associated internship program.	German intern developed and presented plan to optimize the resiliency of the Lakewood Water pumping facility.	Second German intern to spend 10 weeks working on a City project in 2018.	Implement parallel Duluth/Germany energy projects using same approach and metrics.	

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Property and Facilities Management Continued

<p><b>Goal:</b> Develop and adequately fund a financially sustainable, comprehensive long-range facility plan.</p> <p><b>Strategy:</b> 1. Engage an internal stakeholder group to assess facility capital needs and resources and develop a set of high-level strategies for meeting the organization's long-term capital needs.</p>				
<p><b>Measurements and Performance:</b></p>				
<p><b>2017 Actual</b></p> <p>Postponed to 2018</p>	<p><b>2018 Actual</b></p> <p>Convening working group to develop high-level strategies for meeting facility capital needs. Present strategies at year-end.</p>	<p><b>2019 Estimate</b></p> <p>Develop, present, and adopt a completed 30-year strategic facility plan for the organization</p>	<p><b>2020 Estimate</b></p> <p>Implement funding of long-range strategic facility plan by integrating with the CIP and special bonding plans</p>	

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Park Maintenance

**Goal:** Improve the condition of city parks and trails.

**Objective:** Increase scope and quality of park maintenance activities.

**Strategy:** 1. Establish park tiers to guide the level and type of maintenance on all park property.

2. Develop parks maintenance plans for each park tier.

3. Implement work order system.

4. Implement improved garbage and recycling collection system.

5. Improve employee recruitment, retention, and training.

6. Strengthen coordination with Parks.

7. Increase the volume and practical value of citizen volunteer service in Parks and Parks Maintenance.

**Measurements and Performance:**

1. Development and implementation of new Parks Maintenance plan.

2017 Estimate	2017 Actual	2018 Estimate	2019 Estimate	
Plan completed.		Begin plan implementation. Establish benchmarked performance measures,.	Annual performance report,	

2. Implementation of work order system pilot for each PM work group.

2017 Estimate	2017 Actual	2018 Estimate	2019 Estimate	
Begin implementation.		Fully implement system and use to track all work.	Integrate work order data in annual reports,	

3. Implementation of garbage collection and recycling system in Tier 1 parks,

2017 Estimate	2017 Actual	2018 Estimate	2019 Estimate	
Complete and assess pilot.		Expand program by 25% to include more park properties	Expand program by 25% to include more park properties	

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department - Goals and Objectives

### Public Administration - Department Goals

**Goal:** Improve efficiency and effectiveness of Public Administration operations.

**Objective:** Review and improve department-wide administrative processes.

**Strategy:** 1. Review administrative processes for budget preparation, purchasing, invoice processing, and grant management and identify areas for improvement.

2. Develop efficient and effective systems to ensure managers are provided with accurate and timely information needed to manage their departments and projects.

3. Develop grant administration process to ensure timely, compliant, internally coordinated grant application, reporting and reimbursement procedures.

4. Implement system changes.

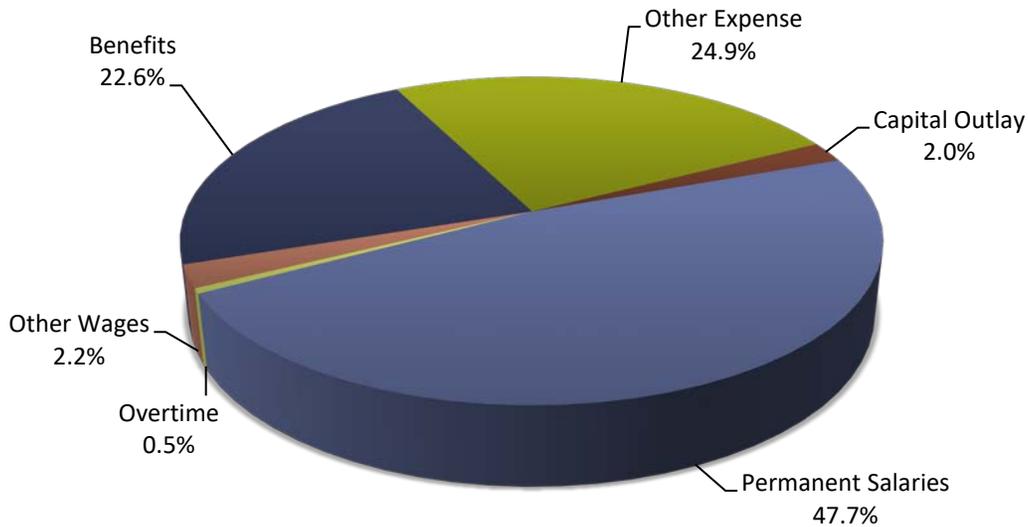
**Measurements and Performance:**

1. Implementation of efficient systems.

2018 Estimate	2019 Target	2020 Target	
Review current operations and develop process improvement plans.	Implement process improvements.	Continue implementation of process improvements.	

# City of Duluth Minnesota - 2018 Budget

## Public Administration Department 2018 Approved Budget by Expense Category



Expenditures by Category	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Permanent Salaries	7,448,424	7,718,809	8,307,000	8,152,000	(155,000)
Overtime	83,321	122,851	86,800	86,800	-
Other Wages	189,740	300,530	325,300	384,000	58,700
Total Personal Services	7,721,485	8,142,190	8,719,100	8,622,800	(96,300)
Benefits	2,914,516	3,083,229	3,558,700	3,863,700	305,000
Other Expense	3,770,694	4,768,848	4,531,900	4,256,900	(275,000)
Capital Outlay	379,567	306,502	306,500	346,500	40,000
<b>Department Total</b>	<b>14,786,262</b>	<b>16,300,769</b>	<b>17,116,200</b>	<b>17,089,900</b>	<b>(26,300)</b>

Expenditures by Division	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Human Resources	996,646	1,085,179	1,141,700	1,143,500	1,800
Information Technology	2,403,832	2,726,884	3,036,900	3,192,900	156,000
City Clerk	754,284	905,879	901,000	809,400	(91,600)
Park Maintenance	2,494,765	3,461,828	3,174,100	3,090,400	(83,700)
Library Services	4,120,434	4,103,256	4,453,600	4,599,600	146,000
Facilities Management	4,016,301	4,017,743	4,408,900	4,254,100	(154,800)
<b>Department Total</b>	<b>14,786,262</b>	<b>16,300,769</b>	<b>17,116,200</b>	<b>17,089,900</b>	<b>(26,300)</b>

Budgeted FTE's	2015	2016	2017	2018	Difference
	136.15	136.15	136.35	132.10	(4.25)

# City of Duluth Minnesota - 2018 Budget

## Human Resources

Provide human resources management and labor relations support services to the operating departments. The division also provides worker's compensation claims handling, and loss control.

Budgeted FTE's	2015	2016	2017	2018	Difference
1130 Mgr, Human Resources	1.0	1.0	1.0	1.0	-
Res EEO Compliance Officer	1.0	1.0	-	-	-
10 Human Resource Spvrs	-	-	-	1.0	1.0
127 HR Assistant	2.0	1.0	1.0	1.0	-
11 Sr HR Generalist	1.0	-	-	-	-
10A Employee Benefit Admin	1.0	1.0	1.0	-	(1.0)
10 HR Generalist	2.0	3.0	3.0	2.0	(1.0)
10 Employee Benefits Spc	1.0	1.0	1.0	1.0	-
9 HR Technician	3.0	3.0	2.0	2.0	-
10 HRIS Technician	-	-	1.0	1.0	-
7 Wellness Coordinator	-	0.8	1.0	1.0	-
32 Org Development Coor	-	0.0	0.0	0.5	0.5
<b>Division Total</b>	<b>12.0</b>	<b>11.8</b>	<b>11.0</b>	<b>10.50</b>	<b>(0.50)</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	664,469	713,970	750,000	721,300	(28,700)
Overtime	3,473	2,143	-	-	-
Other Wages	153	7,043	10,000	10,000	-
Total Salaries	668,095	723,155	760,000	731,300	(28,700)
BENEFITS	264,578	302,953	300,200	337,700	37,500
Other Expense					
Materials & Supplies	7,829	4,835	6,000	7,500	1,500
Services	34,573	29,477	50,500	43,500	(7,000)
Utilities & Maintenance	14,991	17,316	16,000	16,000	-
Other	6,580	7,441	9,000	7,500	(1,500)
Total Other Expense	63,973	59,070	81,500	74,500	(7,000)
<b>Division Total</b>	<b>996,646</b>	<b>1,085,179</b>	<b>1,141,700</b>	<b>1,143,500</b>	<b>1,800</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Human Resources - 110-121-1106</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	664,469	713,970	750,000	721,300
5101 Premium Pay	3,473	2,143	-	-
5103 Other Wages	153	7,043	10,000	10,000
TOTAL	668,095	723,155	760,000	731,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	43,365	51,040	55,300	54,100
5122 FICA - Social Security	40,335	43,332	47,100	45,300
5123 FICA - Medicare	9,433	10,134	11,000	10,600
5125 Dental Insurance	3,751	4,185	4,100	3,900
5126 Life Insurance	1,905	1,823	2,000	1,900
5127 Health Care Savings Plan (HCSP)	20,781	34,552	8,400	32,100
5130 Cafeteria Plan Benefits	141,801	155,423	169,300	186,800
5133 Health or Fitness Program	3,207	2,465	3,000	3,000
TOTAL	264,578	302,953	300,200	337,700
OTHER EXPENDITURES				
5200 Office Supplies	5,939	4,476	3,500	3,500
5201 Computer Supplies/Software	1,632	-	1,000	500
5219 Other Miscellaneous Supplies	258	359	1,500	3,500
5319 Other Professional Services	14,118	13,106	13,000	13,000
5321 Phone Service	437	1,345	1,500	1,500
5331 Travel/Training	11,338	14,108	15,000	17,000
5355 Printing & Copying	2,503	213	11,000	8,000
5356 Copier, Printer Lease & Supplies	6,177	706	10,000	4,000
5404 Equipment/Machinery Repair & Mtc	150	2,475	1,000	1,000
5414 Software Licenses & Mtce Agreements	14,841	14,841	15,000	15,000
5433 Dues & Subscription	1,393	1,694	3,000	1,750
5435 Books & Pamphlets	625	536	1,000	750
5441 Other Services & Charges	4,562	5,211	5,000	5,000
TOTAL	63,973	59,070	81,500	74,500
<b>DIVISION TOTAL</b>	<b>996,646</b>	<b>1,085,179</b>	<b>1,141,700</b>	<b>1,143,500</b>

# City of Duluth Minnesota - 2018 Budget

## Information Technology

Provides services for City departments and authorities in the area of financial accounting, payroll, special assessments, sales tax, purchasing, building inspections, City Clerk, and utility billing/receivables. Serves as a clearinghouse for personal computer questions, configurations, installations, advising in software and hardware acquisitions and local area network (LAN) development. Mapping and geographical information (GIS) development is also a major program.

Budgeted FTE's	2015	2016	2017	2018	Difference
1135 Mgr, Appl Dev/Desktop	1.0	1.0	1.0	1.0	-
1132 Manager, IT	1.0	1.0	1.0	1.0	-
137 Security Administrator	-	1.0	1.0	1.0	-
140 Sr Systems Administrator	-	1.0	1.0	1.0	-
140 Sr Network Administrator	-	1.0	1.0	1.0	-
142 Sr Programmer Analyst	1.0	2.0	2.0	2.0	-
137 Various Administrators	8.0	5.0	5.0	5.0	-
133 Programmer Analyst	1.0	2.0	2.0	2.0	-
135 Lead Support Analyst	1.0	-	-	-	-
131 Graphics Coordinator	1.0	1.0	1.0	1.0	-
136 GIS Specialist	2.0	2.0	3.0	3.0	-
134 Sr Support Analyst	-	1.0	1.0	1.0	-
131 Support Analyst	3.0	2.0	2.0	2.0	-
129 Help Desk Technician	1.0	1.0	1.0	1.0	-
126 Information Technician	1.0	-	-	-	-
Division Total	<b>21.0</b>	<b>21.0</b>	<b>22.0</b>	<b>22.0</b>	<b>0.0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	1,232,897	1,383,253	1,536,200	1,632,200	96,000
Overtime	9,657	6,868	10,000	10,000	-
Other Wages	1,000	11,956	10,000	-	(10,000)
Total Salaries	1,243,554	1,402,078	1,556,200	1,642,200	86,000
Benefits	458,520	516,229	584,500	684,500	100,000
Other Expense					
Materials & Supplies	25,730	36,330	31,800	28,900	(2,900)
Services	186,649	193,942	295,500	215,800	(79,700)
Utilities & Maintenance	478,874	567,971	555,900	621,500	65,600
Other	10,505	10,335	13,000	-	(13,000)
Total Other Expense	701,758	808,578	896,200	866,200	(30,000)
Division Total	<b>2,403,832</b>	<b>2,726,884</b>	<b>3,036,900</b>	<b>3,192,900</b>	<b>156,000</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Information Technology - 110-121-1107</b>					
PERSONAL SERVICES					
5100	Permanent Salaries	1,232,897	1,383,253	1,536,200	1,632,200
5101	Premium Pay	9,657	6,868	10,000	10,000
5103	Other Wages	1,000	11,956	10,000	-
	<b>TOTAL</b>	<b>1,243,554</b>	<b>1,402,078</b>	<b>1,556,200</b>	<b>1,642,200</b>
EMPLOYEE BENEFITS					
5121	PERA Retirement	90,728	100,011	114,200	123,200
5122	FICA - Social Security	74,845	85,025	96,500	101,800
5123	FICA - Medicare	17,504	19,885	22,600	23,800
5125	Dental Insurance	6,665	7,232	7,700	8,000
5126	Life Insurance	3,225	3,153	3,700	3,900
5127	Health Care Savings Plan (HCSP)	15,582	40,877	21,200	31,500
5130	Cafeteria Plan Benefits	249,971	259,626	318,600	392,300
5133	Health or Fitness Program	-	420	-	-
	<b>TOTAL</b>	<b>458,520</b>	<b>516,229</b>	<b>584,500</b>	<b>684,500</b>
OTHER EXPENDITURES					
5200	Office Supplies	1,507	2,658	2,500	2,500
5201	Computer Supplies/Software	23,153	18,201	26,500	23,600
5203	Paper/Stationery/Forms	-	347	-	-
5212	Motor Fuels	157	279	300	300
5241	Small Equip-Office/Operating	913	14,845	2,500	2,500
5309	MIS Services	2,856	3,939	10,000	10,300
5319	Other Professional Services	42,302	35,846	75,500	40,500
5320	Data Services	120,529	124,696	171,500	126,500
5321	Phone Service	4,205	5,538	6,000	6,000
5331	Travel/Training	11,040	18,892	25,000	25,000
5335	Local Mileage Reimbursement	806	49	500	500
5355	Printing & Copying	4,114	4,944	7,000	7,000
5356	Copier, Printer Lease, & Supplies	797	39	-	-
5404	Equipment/Machinery Repair & Mtc	145,257	211,068	190,000	175,000
5409	Fleet Service Charges	767	3,760	6,200	6,200
5414	Software Licenses & Mtce Agreements	332,850	353,144	359,700	440,300
5433	Dues & Subscription	10,505	10,335	13,000	-
	<b>TOTAL</b>	<b>701,758</b>	<b>808,578</b>	<b>896,200</b>	<b>866,200</b>
<b>DIVISION TOTAL</b>		<b>2,403,832</b>	<b>2,726,884</b>	<b>3,036,900</b>	<b>3,192,900</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Information Technology - 110-121-1107</b>				
REVENUE SOURCE				
4310 Assessment Cost Services	112	-	-	-
4320 IT Services	1,178	15,849	4,600	5,800
4730 Transfer in from Public Utility	86,600	135,000	195,300	214,400
<b>DIVISION TOTAL</b>	87,890	150,849	199,900	220,200

# City of Duluth Minnesota - 2018 Budget

## City Clerk

Secretary to the City Council, Charter Commission, Alcohol, Gambling and Tobacco Commission and the Mayor's Appointment Advisory Committee. Maintains the Official Proceedings and the Legislative Code. Administers the information management program (records retention and records center). Performs the required functions of Municipal Clerk, as required by law, in the areas of elections, voter registration and issuance of licenses.

Budgeted FTE's	2015	2016	2017	2018	Difference
1140 Director, Public Admin	1.0	1.0	1.0	1.0	-
1100 City Clerk	1.0	1.0	1.0	1.0	-
1055 Assistant City Clerk	1.0	1.0	1.0	1.0	-
09 Executive Assistant	1.0	1.0	1.0	1.0	-
129 Admin Info Specialist	2.0	2.0	2.0	1.0	(1.0)
126 Information Tech	1.0	1.0	1.0	1.0	-
120 Clerical Technician	-	-	-	-	-
<b>Division Total</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>6.0</b>	<b>-1.0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	426,664	485,394	495,900	457,600	(38,300)
Overtime	918	3,429	1,000	1,000	-
Other Wages	75,766	93,856	75,000	75,000	-
<b>Total Salaries</b>	<b>503,348</b>	<b>582,680</b>	<b>571,900</b>	<b>533,600</b>	<b>(38,300)</b>
Benefits	184,189	216,959	244,600	223,300	(21,300)
Other Expense					
Materials & Supplies	3,100	5,607	2,600	2,600	-
Services	38,433	12,546	52,600	20,600	(32,000)
Utilities & Maintenance	6,510	6,510	13,000	13,000	-
Other	18,704	81,577	16,300	16,300	-
<b>Total Other Expense</b>	<b>66,747</b>	<b>106,240</b>	<b>84,500</b>	<b>52,500</b>	<b>(32,000)</b>
<b>Division Total</b>	<b>754,284</b>	<b>905,879</b>	<b>901,000</b>	<b>809,400</b>	<b>(91,600)</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>City Clerk - 110-121-1211</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	426,664	485,394	495,900	457,600
5101 Premium Pay	918	3,429	1,000	1,000
5103 Other Wages	75,766	93,856	75,000	75,000
TOTAL	503,348	582,680	571,900	533,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	29,485	35,601	37,200	34,400
5122 FICA - Social Security	27,468	31,464	35,100	32,800
5123 FICA - Medicare	6,424	7,358	8,200	7,700
5125 Dental Insurance	2,240	2,573	2,600	2,200
5126 Life Insurance	1,088	1,121	1,300	1,100
5127 Health Care Savings Plan (HCSP)	7,171	9,684	17,300	12,200
5130 Cafeteria Plan Benefits	110,313	128,645	142,900	132,900
5133 Health or Fitness Program	-	513	-	-
TOTAL	184,189	216,959	244,600	223,300
OTHER EXPENDITURES				
5200 Office Supplies	2,466	3,492	1,100	1,100
5201 Computer Supplies/Software	73	452	500	500
5219 Other Miscellaneous Supplies	561	1,663	1,000	1,000
5321 Phone Service Cellular Phone	696	708	600	600
5331 Travel/Training	59	5,379	6,000	6,000
5335 Local Mileage Reimbursement	847	705	1,000	1,000
5355 Printing & Copying	36,127	4,164	45,000	13,000
5356 Copier, Printer Lease & Supplies	704	1,590	-	-
5404 Equipment/Machinery Repair & Mtc	6,510	6,510	13,000	13,000
5412 Building Rental	900	900	1,000	1,000
5414 Software Licenses & Mtce Agreements	8,901	8,367	10,000	10,000
5427 Credit Card Commissions	-	447	-	-
5433 Dues & Subscription	520	320	400	400
5441 Other Services & Charges	8,383	71,543	4,900	4,900
TOTAL	66,747	106,240	84,500	52,500
<b>DIVISION TOTAL</b>	754,284	905,879	901,000	809,400

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>City Clerk - 110-121-1211</b>				
REVENUE SOURCE				
4101 Liquor License	495,705	506,692	455,000	495,000
4102 Beer License	15,907	16,123	14,000	14,000
4105 Hotel License	10,516	12,073	9,000	9,000
4106 Garbage Collection	17,582	17,284	16,000	16,000
4107 Horse & Carriage	572	572	700	700
4108 Emergency Wrecker License	6,230	5,816	6,000	6,000
4109 Gas Station License	10,148	9,110	8,500	8,500
4111 Pawnbroker License	772	772	1,100	1,100
4112 Peddler's License	1,769	4,836	1,000	1,000
4113 Precious Metal Dealer	1,544	1,544	1,500	1,500
4114 Pet Shop License	944	622	600	600
4115 Dog & Cat Hospitals License	747	415	700	700
4116 Dog Kennels License	479	611	400	400
4117 Massage Parlor	13,756	12,661	12,000	12,000
4118 Cigarette License	13,583	12,197	13,000	13,000
4119 Motor Vehicle - Dealer	4,098	6,117	4,400	4,400
4119 Motor Vehicle - Rental	2,400	-	1,800	1,800
4120 Taxi Permit	12,752	11,932	11,000	11,000
4121 Coin Operating Device	10,435	19,640	9,000	9,000
4122 Pool & Bowling	1,366	1,202	1,000	1,000
4123 Dance Hall License	-	208	-	-
4125 Transportation Network Comp License	-	-	-	7,000
4155 Special Event Permit	4,751	4,212	3,000	3,000
4170 Misc. Permits & Licenses	4,348	3,449	2,000	2,000
4470 License Penalties	5,007	10,160	2,000	2,000
4644 Miscellaneous Sales	61,674	1,263	55,000	25,000
4730 Interfund Transfers In	25,000	25,000	25,000	25,000
<b>DIVISION TOTAL</b>	<b>722,086</b>	<b>684,510</b>	<b>653,700</b>	<b>670,700</b>

# City of Duluth Minnesota - 2018 Budget

## Park Maintenance

Park Maintenance provides year-round services to a 12,000 acre park system that includes athletic fields, an urban forest, multi-use trails and other related facilities. Park Maintenance enhances the aesthetics of the environment, improves livability and contributes to a sustainable future. Parks Maintenance's mission is to provide the citizens and visitors of Duluth with safe, well maintained parks, trails and green spaces, including both recreational and athletic fields.

Budgeted FTE's	2015	2016	2017	2018	Difference
1115 Mgr Mtce Ops	0.25	0.25	-	-	-
1075 Bldg & Grds Maint Spvsr	1.00	1.00	1.00	1.00	-
32 Mtc Optns Leadworker	2.00	4.00	4.00	4.00	-
27 Park Mtceworker	15.00	14.00	15.00	14.00	(1.0)
22 Maintenanceworker	6.00	5.25	3.25	2.00	(1.3)
133 Budget Analyst	0.10	0.10	0.30	0.30	-
131 Volunteer Coordinator	-	-	0.80	0.80	-
33 Forestry & Nat Rscrs Coor	-	-	-	0.50	0.5
<b>Division Total</b>	<b>24.35</b>	<b>24.60</b>	<b>24.35</b>	<b>22.60</b>	<b>(1.75)</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	1,278,226	1,374,916	1,434,600	1,356,900	(77,700)
Overtime	38,791	73,927	50,000	50,000	-
Other Wages	-	70,256	118,500	174,200	-
Total Salaries	1,317,017	1,519,100	1,603,100	1,581,100	(22,000)
Benefits	526,715	559,388	623,500	659,800	36,300
Other Expense					
Materials & Supplies	109,399	180,834	195,000	199,500	4,500
Services	74,678	661,587	237,100	97,100	(140,000)
Utilities & Maintenance	351,370	360,548	377,100	414,600	37,500
Other	115,586	180,371	138,300	138,300	-
Total Other Expense	651,033	1,383,341	947,500	849,500	(98,000)
<b>Division Total</b>	<b>2,494,765</b>	<b>3,461,828</b>	<b>3,174,100</b>	<b>3,090,400</b>	<b>(83,700)</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Park Maintenance 110-121-1217-2145</b>					
PERSONAL SERVICES					
5100	Permanent Salaries	1,278,226	1,374,916	1,434,600	1,356,900
5101	Premium Pay	38,791	73,927	50,000	50,000
5103	Other Wages	-	68,310	118,500	174,200
5118	Meal Allowance	-	1,946	-	-
	<b>TOTAL</b>	<b>1,317,017</b>	<b>1,519,100</b>	<b>1,603,100</b>	<b>1,581,100</b>
EMPLOYEE BENEFITS					
5121	PERA Retirement	96,269	104,920	108,400	105,600
5122	FICA - Social Security	80,249	92,750	99,400	98,000
5123	FICA - Medicare	18,768	21,691	23,200	22,900
5125	Dental Insurance	8,770	8,946	9,100	8,400
5126	Life Insurance	4,243	3,899	4,400	4,100
5127	Health Care Savings Plan (HCSP)	12,724	22,354	35,500	23,600
5130	Cafeteria Plan Benefits	305,692	304,637	343,500	397,200
5133	Health or Fitness Program	-	192	-	-
	<b>TOTAL</b>	<b>526,715</b>	<b>559,388</b>	<b>623,500</b>	<b>659,800</b>
OTHER EXPENDITURES					
5200	Office Supplies	1,844	1,302	1,500	1,500
5201	Computer Supplies/Software	-	1,249	700	5,700
5202	Audiovisual & Photography	-	-	500	-
5205	Safety & Training Materials	5,252	8,578	10,000	10,000
5210	Plant/Operating Supplies	1,516	975	2,000	-
5211	Cleaning/Janitorial Supplies	19,204	22,318	30,000	30,000
5212	Motor Fuels	47,004	50,056	55,000	55,000
5218	Uniforms	4,887	6,613	7,000	7,000
5219	Other Miscellaneous Supplies	4,826	10,714	5,800	-
5220	Repair & Maintenance Supplies	5,237	19,806	25,000	65,300
5225	Park/Landscape Materials	6,681	34,680	32,000	-
5226	Sign & Signal Materials	-	-	500	-
5228	Painting Supplies	3,421	8,061	15,000	10,000
5240	Small Tools	5,338	13,310	4,000	9,000
5241	Small Equip-Office/Operating	4,189	3,172	6,000	6,000
5305	Medical Svcs/Testing Fees	-	-	500	500
5310	Contract Services	62,788	651,088	212,000	71,140
5320	Data Services	174	86	1,100	1,100
5321	Phone Service	1,571	1,902	2,000	2,860
5331	Travel/Training	5,915	4,128	16,000	16,000
5335	Local Mileage Reimbursement	4,005	4,019	5,000	5,000
5356	Copier, Printer Lease & Supplies	225	365	500	500
5384	Refuse Disposal	52,634	62,824	32,500	70,000

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Park Maintenance 110-121-1217-2145 Continued</b>				
5404 Equipment/Machinery Repair & Mtc	358	438	3,000	3,000
5409 Fleet Services Charges	298,378	297,287	341,600	341,600
5414 Software Licenses & Mtce Agreements	12,544	13,492	13,100	13,100
5415 Vehicle/Equip Rent (Short-term)	1,317	29,305	27,500	27,500
5419 Other Rentals	47,130	55,096	51,100	51,100
5433 Dues & Subscription	-	1,944	1,000	1,000
5438 Licenses	321	154	700	700
5441 Other Services & Charges	21,804	21,682	16,000	16,000
5454 Contract Tree Services	32,470	57,869	28,900	28,900
5580 Capital Equipment	-	829	-	-
TOTAL	651,033	1,383,341	947,500	849,500
<b>DIVISION TOTAL</b>	<b>2,494,765</b>	<b>3,461,828</b>	<b>3,174,100</b>	<b>3,090,400</b>
<b>REVENUE SOURCE</b>				
4225 Ski Trails Grant	15,400	11,000	11,000	11,000
4226 Snowmobile Trails Grant	7,659	15,750	13,900	13,900
4654 Other Reimbursements	4,402	86,558	-	-
4730 Transfer from Special Revenue	-	200,000	200,000	200,000
<b>DIVISION TOTAL</b>	<b>27,461</b>	<b>313,308</b>	<b>224,900</b>	<b>224,900</b>

# City of Duluth Minnesota - 2018 Budget

## Library Services

The division offers assistance and advisory service to people of all ages in using the Library's resources of print, media, and online collections to meet their informational, educational, and cultural needs.

Budgeted FTE's	2015	2016	2017	2018	Difference
1105 Mgr, Library Services	1.0	1.0	1.0	1.0	-
1075 Library Supervisor	3.0	3.0	3.0	3.0	-
136 Librarian III	1.0	1.0	1.0	-	(1.0)
131 Business Office Coor	-	-	-	1.0	1.0
133 Librarian II	4.0	4.0	4.0	4.0	-
131 Volunteer Coordinator	0.5	0.5	0.2	0.2	-
131 Librarian I	13.5	14.0	13.0	13.0	-
128 Sr. Library Tech	4.0	4.0	5.0	5.0	-
124 Library Technician	19.5	19.0	19.5	19.5	-
<b>Division Total</b>	<b>46.5</b>	<b>46.5</b>	<b>46.7</b>	<b>46.7</b>	<b>0.0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	2,474,783	2,413,288	2,595,600	2,580,600	(15,000)
Overtime	510	500	800	800	-
Other Wages	107,363	108,654	101,800	101,800	-
Total Salaries	2,582,656	2,522,443	2,698,200	2,683,200	(15,000)
Benefits	911,617	907,393	1,079,900	1,238,900	159,000
Other Expense					
Materials & Supplies	27,259	25,238	30,300	29,800	(500)
Services	28,523	36,076	21,300	17,800	(3,500)
Utilities & Maintenance	48,782	51,722	51,300	51,800	500
Other	215,095	253,882	266,100	271,600	5,500
Total Other Expense	319,659	366,917	369,000	371,000	2,000
Capital Outlay	306,502	306,502	306,500	306,500	-
<b>Division Total</b>	<b>4,120,434</b>	<b>4,103,256</b>	<b>4,453,600</b>	<b>4,599,600</b>	<b>146,000</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Salaries	2,474,783	2,413,288	2,595,600	2,580,600
5101 Premium Pay	510	500	800	800
5103 Other Wages	107,363	108,654	101,800	101,800
TOTAL	2,582,656	2,522,443	2,698,200	2,683,200
<b>EMPLOYEE BENEFITS</b>				
5121 PERA Retirement	181,802	179,629	192,400	199,500
5122 FICA - Social Security	157,794	154,466	167,300	166,400
5123 FICA - Medicare	36,904	36,125	39,100	38,900
5125 Dental Insurance	16,957	16,042	17,200	17,400
5126 Life Insurance	8,213	7,140	8,300	8,400
5127 Health Care Savings Plan (HCSP)	25,273	44,703	100,000	76,500
5130 Cafeteria Plan Benefits	484,674	467,759	555,600	731,800
5133 Health or Fitness Program	-	1,530	-	-
TOTAL	911,617	907,393	1,079,900	1,238,900
<b>OTHER EXPENDITURES</b>				
5200 Office Supplies	7,315	5,981	6,500	6,500
5201 Computer Supplies/Software	430	1,231	500	1,000
5211 Cleaning/Janitorial Supplies	-	-	-	-
5212 Motor Fuels	781	566	1,000	1,000
5219 Other Miscellaneous Supplies	14,676	14,959	18,000	18,000
5220 Repair & Maintenance Supplies	1,917	1,709	3,000	2,000
5241 Small Equip-Office/Operating	2,140	792	1,300	1,300
5319 Other Professional Services	15,277	23,637	9,200	3,200
5321 Phone Service	-	-	-	-
5322 Postage	6,371	8,069	5,800	4,800
5331 Travel/Training	-	-	2,000	4,000
5335 Local Mileage Reimbursement	-	-	-	500
5355 Printing & Copying	1,220	203	300	800
5356 Copier, Printer Lease & Supplies	1,440	-	-	-
5384 Refuse Disposal	4,215	4,166	4,000	4,500
5404 Equipment/Machinery Repair & Mtc	5,286	4,349	3,200	2,700
5409 Fleet Services Charges	1,635	2,784	4,100	4,100
5412 Building Rental	145,000	189,774	195,000	201,000
5413 Library Materials/Svcs Rental	66,507	60,547	68,000	68,000
5414 Software Licenses & Mtce Agreements	41,861	44,589	44,000	45,000
5433 Dues & Subscription	100	-	100	100
5441 Other Services & Charges	3,488	3,560	3,000	2,500
TOTAL	319,659	366,917	369,000	371,000
<b>CAPITAL OUTLAY</b>				
5590 Library Materials	306,502	306,502	306,500	306,500
TOTAL	306,502	306,502	306,500	306,500
<b>DIVISION TOTAL</b>	<b>4,120,434</b>	<b>4,103,256</b>	<b>4,453,600</b>	<b>4,599,600</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Library Services - 110-121-1218</b>				
REVENUE SOURCE				
4220 State of Minnesota Operating	5,185	5,020	5,000	5,000
4471 Library Fines	84,306	76,438	75,000	72,000
4622 Rent of Buildings	1,725	750	300	300
4631 Media Sales	18,442	18,470	17,000	18,500
4644 Miscellaneous Sales	3,211	2,267	2,000	2,000
4654 Other Reimbursements	45,924	48,709	42,800	42,800
<b>DIVISION TOTAL</b>	<b>158,793</b>	<b>151,653</b>	<b>142,100</b>	<b>140,600</b>

# City of Duluth Minnesota - 2018 Budget

## Facilities Management

The Facilities Management Division ensures that all City facilities are properly maintained and operating efficiently.

Budgeted FTE's	2015	2016	2017	2018	Difference
1130 Facility Manager	1.0	1.0	1.0	1.0	-
1105 Architect	1.0	1.0	-	-	-
1105 Construction Project Spvsr	-	-	1.0	1.0	-
1075 Spvsr Facilities Operations	1.0	1.0	1.0	1.0	-
1070 Property Srvs Supervisor	1.0	1.0	1.0	1.0	-
133 Budget Analyst	0.3	0.3	0.3	0.3	-
133 Property Srv Specialist	1.0	1.0	1.0	1.0	-
33 Facilities Project Specialist	-	-	-	-	-
33 Construction Project Coord	1.0	1.0	1.0	1.0	-
31 Master Plumber/Elect	2.0	2.0	2.0	2.0	-
29 Trades Positions	3.0	3.0	3.0	3.0	-
28 Building Mtceprs I and II	1.0	1.0	3.0	3.0	-
27 Construction Project Tech	1.0	1.0	1.0	1.0	-
25 Janitorial Supervisor	1.0	1.0	1.0	1.0	-
22 Maintenanceworker	2.0	3.0	2.0	2.0	-
121/25 Janitor I and II	7.0	6.0	5.0	5.0	-
24 Senior Clerical Specialist	1.0	1.0	1.0	-	(1.0)
7 Admin Sec Specialist	1.0	1.0	1.0	1.0	-
<b>Division Total</b>	<b>25.3</b>	<b>25.3</b>	<b>25.3</b>	<b>24.3</b>	<b>-1.0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	1,371,385	1,347,987	1,494,700	1,403,400	(91,300)
Overtime	29,972	35,983	25,000	25,000	-
Other Wages	5,458	8,765	10,000	23,000	13,000
Total Salaries	1,406,815	1,392,735	1,529,700	1,451,400	(78,300)
Benefits	568,897	580,306	726,000	719,500	(6,500)
Other Expense					
Materials & Supplies	310,832	327,681	374,000	375,800	1,800
Services	214,349	225,015	211,500	224,270	12,770
Utilities & Maintenance	1,205,239	1,195,232	1,293,400	1,200,330	(93,070)
Other	237,104	296,776	274,300	242,800	(31,500)
Total Other Expense	1,967,524	2,044,703	2,153,200	2,043,200	(110,000)
Capital Outlay	73,065	-	-	40,000	40,000
<b>Division Total</b>	<b>4,016,301</b>	<b>4,017,743</b>	<b>4,408,900</b>	<b>4,254,100</b>	<b>(194,800)</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Facilities Management - 110-121-1222</b>					
PERSONAL SERVICES					
5100	Permanent Salaries	1,371,385	1,347,987	1,494,700	1,403,400
5101	Premium Pay	29,972	35,983	25,000	25,000
5103	Other Wages	5,458	8,720	10,000	23,000
5118	Meal Allowance	-	45	-	-
	<b>TOTAL</b>	<b>1,406,815</b>	<b>1,392,735</b>	<b>1,529,700</b>	<b>1,451,400</b>
EMPLOYEE BENEFITS					
5121	PERA Retirement	98,646	100,560	112,100	107,200
5122	FICA - Social Security	85,245	84,670	95,100	90,300
5123	FICA - Medicare	19,937	19,802	22,200	21,100
5125	Dental Insurance	9,106	9,040	10,000	9,000
5126	Life Insurance	4,468	3,937	4,800	4,400
5127	Health Care Savings Plan (HCSP)	28,179	37,527	37,400	41,900
5130	Cafeteria Plan Benefits	322,541	324,591	444,400	445,600
5133	Health or Fitness Program	775	180	-	-
	<b>TOTAL</b>	<b>568,897</b>	<b>580,306</b>	<b>726,000</b>	<b>719,500</b>
OTHER EXPENDITURES					
5200	Office Supplies	4,178	1,923	4,000	19,300
5201	Computer Supplies/Software	3,789	3,135	2,000	5,000
5205	Safety & Training Materials	2,153	1,414	7,500	3,500
5210	Plant/Operating Supplies	1,048	1,434	8,000	-
5211	Cleaning/Janitorial Supplies	28,690	34,242	37,500	40,000
5212	Motor Fuels	10,340	10,463	11,000	11,000
5215	Shop Materials	1,948	4,712	-	-
5218	Uniforms	7,325	8,339	6,000	6,000
5219	Other Miscellaneous Supplies	12,896	19,851	20,000	-
5220	Repair & Maintenance Supplies	214,147	222,938	245,700	291,000
5228	Painting Supplies	9,717	2,843	5,300	-
5240	Small Tools	7,256	8,635	12,000	-
5241	Small Equip-Office/Operating	7,345	7,752	15,000	-
5310	Contract Services	81,500	65,322	75,000	114,270
5319	Other Professional Services	24,054	52,776	16,500	-
5321	Phone Service	96,473	83,582	102,000	85,000
5331	Travel/Training	5,280	13,524	10,000	15,000

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Facilities Management - 110-121-1222 continued</b>					
5335	Local Mileage Reimbursement	5,789	9,457	5,000	7,000
5355	Printing & Copying	426	(166)	1,000	1,000
5356	Copier, Printer Lease & Supplies	827	519	2,000	2,000
5381	Electricity	533,796	526,083	588,400	470,750
5382	Water, Gas & Sewer	475,116	446,484	490,000	500,000
5384	Refuse Disposal	20,550	29,158	22,000	31,030
5385	Oil	4,579	3,213	8,000	8,000
5386	Steam	171,198	190,293	185,000	190,550
5399	Skywalk Expenses	20,103	29,653	30,000	30,000
5401	Bldg/Structure Repair & Mtc	75,442	81,772	75,000	75,000
5404	Equipment/Machinery Repair & Mtc	3,668	10,410	10,000	10,000
5409	Fleet Services Charges	18,636	22,701	29,300	29,300
5411	Land Rental/Easements	-	-	20,500	5,000
5414	Software Licenses & Mtce Agreements	101,692	91,087	75,000	75,000
5415	Vehicle/Equip Rent (Short-term)	2,878	3,997	5,000	13,000
5418	Vehicle/Equip Lease (Long-term)	-	-	8,000	-
5433	Dues & Subscription	719	349	500	500
5435	Books & Pamphlets	171	-	300	-
5438	Licenses	2,012	2,669	5,000	5,000
5441	Other Services & Charges	9,212	38,508	12,300	-
5450	Laundry	2,558	2,094	3,400	-
5481	Property Taxes	13	-	-	-
5700	Interfund Transfer Out	-	13,536	-	-
	<b>TOTAL</b>	<b>1,967,524</b>	<b>2,044,703</b>	<b>2,153,200</b>	<b>2,043,200</b>
<b>CAPITAL OUTLAY</b>					
5580	Capital Equipment	73,065	-	-	40,000
	<b>TOTAL</b>	<b>73,065</b>	<b>-</b>	<b>-</b>	<b>40,000</b>
<b>DIVISION TOTAL</b>		<b>4,016,301</b>	<b>4,017,743</b>	<b>4,408,900</b>	<b>4,254,100</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Facilities Management - 110-121-1222</b>					
REVENUE SOURCE					
4622	Rent of Buildings	119,601	109,925	116,200	125,600
4623	Rent of Land	6,762	8,368	6,300	5,100
4627	Concessions & Commissions	9,416	12,648	10,000	13,700
4644	Miscellaneous Sales	1,112	1	1,500	1,500
4654	Other Reimbursements	45,961	49,653	40,000	40,000
4730	Transfer from Special Revenue	57,341	161,175	50,000	50,000
4730	Transfer from Public Utility	120,600	-	119,700	-
<b>DIVISION TOTAL</b>		<b>360,793</b>	<b>341,769</b>	<b>343,700</b>	<b>235,900</b>

# City of Duluth Minnesota - 2018 Budget

## Finance Department

### Mission and Vision

It is the Finance Department's mission to support the City of Duluth's citizens, elected officials and employees by professionally fulfilling its duties of reporting, accounting, budgeting, buying, billing, analyzing, forecasting, safeguarding and disseminating City financial assets and information in a cost effective manner. We accomplish this by hiring and nurturing professional staff members, implementing and fully utilizing robust reporting and accounting systems, and engaging outside aid when and where it is reasonable and appropriate to do so.

The City of Duluth Finance Department's vision is to be a team of proactive leaders, who identify issues and offer innovative solutions to enable City departments to accomplish their goals and provide quality services to our citizens more effectively and efficiently.

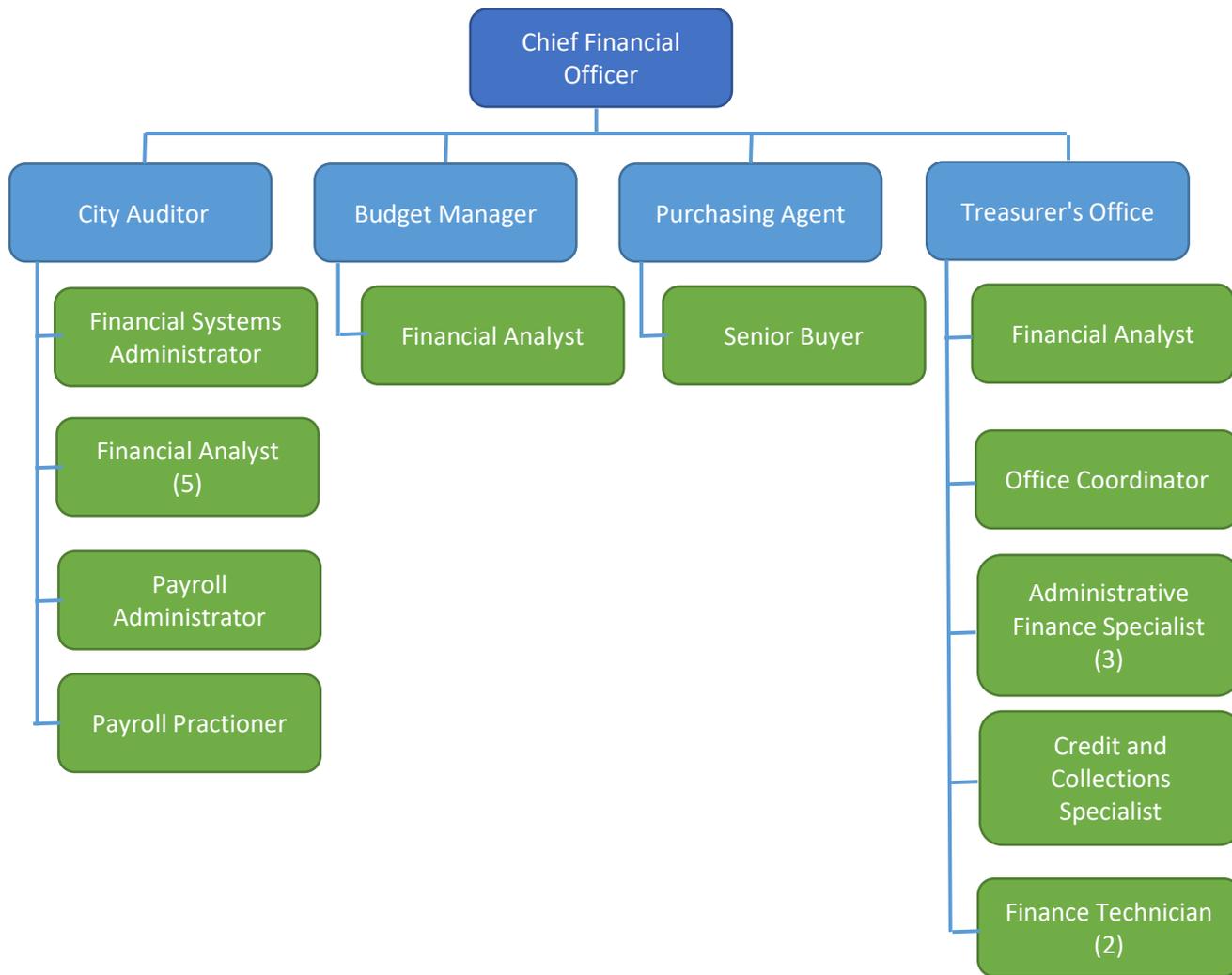
### Structure

Four budgeted divisions comprise the Finance Department. A manager leads each area, supported by at least one other staff member. The Finance Department receives its funding from the General Fund.

# City of Duluth Minnesota - 2018 Budget

## Finance Department

### Organization Chart



# City of Duluth Minnesota - 2018 Budget

## Finance Department - Goals and Objectives

<p><b>Goal:</b> Publish monthly financial information for public use on the City's website</p> <p><b>Objective:</b> To engage citizen's and enable public access to financial information about their city government</p> <p><b>Strategy:</b> 1. Investigate hosted applications for publishing financial information to the public 2. Establish a process for transferring monthly financial information to the platform 3. Engage citizens in how to access and utilize this information tool</p> <p><b>Measurements and Performance:</b></p> <p>Website Implementation date</p>				
<b>2016 Estimate</b> N/A	<b>2017 Target</b> N/A	<b>2017 Actual</b> N/A	<b>2018 Target</b> N/A	<b>2019 Target</b> 6/1/19

<p><b>Goal:</b> Receive annual awards for timely, accurate, thorough government reporting</p> <p><b>Objective:</b> Remit timely, accurate, thorough reports to government authorities</p> <p><b>Strategy:</b> 1. Remit CAFR in timely fashion to GFOA for annual award consideration 2. Remit budget book to GFOA in timely fashion for annual award consideration</p> <p><b>Measurements and Performance:</b></p> <p>Date CAFR remitted to GFOA</p>				
<b>2016 Estimate</b> 6/1/16	<b>2017 Target</b> 5/26/17	<b>2017 Actual</b> 5/31/17	<b>2018 Target</b> 5/24/18	<b>2019 Target</b> 5/24/18
Date budget book remitted to GFOA				
<b>2016 Estimate</b> 3/28/16	<b>2017 Target</b> 3/24/17	<b>2017 Actual</b> 3/24/17	<b>2018 Target</b> 3/24/18	<b>2019 Target</b> 3/17/19

<p><b>Goal:</b> Provide quarterly financial reports to the City Council</p> <p><b>Objective:</b> To provide summary financial information to elected officials</p> <p><b>Strategy:</b> 1. Develop a financial report format that provides summary data 2. Discuss report format with the Council Finance Committee Chair 3. Submit financial report quarterly to the City Council</p> <p><b>Measurements and Performance:</b></p> <p>Date financial report is filed with the City Council on a quarterly basis</p>				
<b>2016 Estimate</b> N/A	<b>2017 Target</b> N/A	<b>2017 Actual</b> N/A	<b>2018 Target</b> 7/31/18	<b>2019 Target</b> N/A

# City of Duluth Minnesota - 2018 Budget

## Finance Department - Goals and Objectives Continued

<p><b>Goal:</b> Implement and improve financial systems</p> <p><b>Objective:</b> Implement an a paperless requisition process for the acquisition of goods &amp; services</p> <p><b>Strategy:</b> 1. Review internal procedures for processing requisitions 2. Meet with departments and divisions to discuss workflow issues 3. Train employees to utilize a paperless requisition process</p> <p><b>Measurements and Performance:</b></p> <p>Percentage of city departments utilizing the paperless requisition process</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2017 Actual</b>	<b>2018 Target</b>	<b>2019 Target</b>
N/A	20%	10%	80%	100%

<p><b>Goal:</b> Implement and improve financial systems</p> <p><b>Objective:</b> Implement an electronic bid process for the procurement process</p> <p><b>Strategy:</b> 1. Analyze software solutions 2. Ascertain vendor acceptance 3. Revise city code as necessary</p> <p><b>Measurements and Performance:</b></p> <p>Implementation date for the electronic bid website</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2017 Actual</b>	<b>2018 Target</b>	<b>2019 Target</b>
N/A	6/1/17	8/31/17	N/A	N/A

<p><b>Goal:</b> Assist departments with proactive financial planning</p> <p><b>Objective:</b> Create financial tools to assist departments with proactive planning</p> <p><b>Strategy:</b> 1. Email quarterly expense and revenue reports with annual forecasts to departments 2. Meet quarterly with departments to discuss quarterly reports and proactive plans 3. Create up-to-date overtime tools for departments</p> <p><b>Measurements and Performance:</b></p> <p>Percentage of departments meeting their expense budget</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2017 Actual</b>	<b>2018 Target</b>	<b>2019 Target</b>
78%	100%	90%	100%	N/A

# City of Duluth Minnesota - 2018 Budget

## Finance Department - Goals and Objectives Continued

<p><b>Goal:</b> Diversify Investments into State and Local Obligations</p> <p><b>Objective:</b> Diversify investment portfolio so the impact of potential losses from any one type of security will be minimized and to maximize potential rates of return on investments</p> <p><b>Strategy:</b> 1. Diversify investment portfolio to include highly rated state and local government bonds</p> <p><b>Measurements and Performance:</b></p> <p>Percentage of investments in State and local securities</p>				
<b>2016 Estimate</b> N/A	<b>2017 Target</b> 10%	<b>2017 Actual</b> 10%	<b>2018 Target</b> 20%	<b>2019 Target</b> N/A

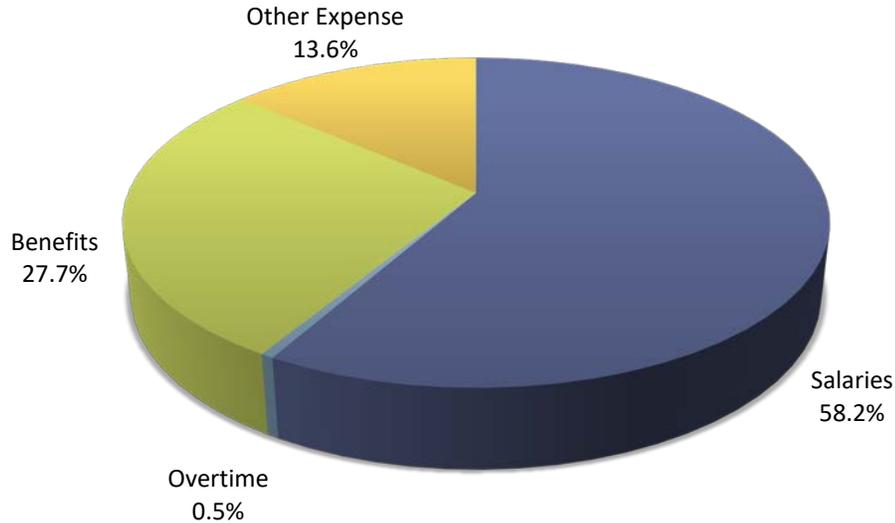
<p><b>Goal:</b> Increase staff utilization of the City's ERP System (New World System)</p> <p><b>Objective:</b> Increase staff use of the reporting and inquiry capabilities of New World Systems</p> <p><b>Strategy:</b> 1. Conduct periodic staff training sessions</p> <p><b>Measurements and Performance:</b></p> <p>Percentage of departmental managers utilizing New World System reporting and inquiry capabilities</p>				
<b>2016 Estimate</b> N/A	<b>2017 Target</b> 90%	<b>2017 Actual</b> 90%	<b>2018 Target</b> 100%	<b>2019 Target</b> N/A

<p><b>Goal:</b> Implement a new priority based budget system</p> <p><b>Objective:</b> To allocate resources based upon community priorities utilizing a transparent and public process.</p> <p><b>Strategy:</b> 1. Define the role of the City in providing services to the community                  2. Determine programs offered by city departments                  3. Determine the cost of resources allocated to each program                  4. Compare and score programs against city priorities                  5. Make budget resource allocations based upon how programs relate to city priorities</p> <p><b>Measurements and Performance:</b></p> <p>Annual budget is derived from priority based budgeting system</p>				
<b>2016 Estimate</b> N/A	<b>2017 Target</b> N/A	<b>2017 Actual</b> N/A	<b>2018 Target</b> N/A	<b>2019 Target</b> 100%

# City of Duluth Minnesota - 2018 Budget

## Finance Department

### 2018 Approved Budget by Expense Category



Expenditures by Category	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Permanent Salaries	1,500,243	1,528,409	1,616,000	1,593,700	(22,300)
Overtime	10,915	12,288	14,000	14,000	-
Other Wages	7,388	11,876	-	-	-
Total Personal Services	1,518,546	1,552,573	1,630,000	1,607,700	(22,300)
Benefits	601,196	594,069	677,700	758,200	80,500
Other Expense	316,725	311,377	360,100	371,900	11,800
<b>Department Total</b>	<b>2,436,467</b>	<b>2,458,020</b>	<b>2,667,800</b>	<b>2,737,800</b>	<b>70,000</b>

Expenditures by Division	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Budget Office	204,345	354,389	383,400	444,200	60,800
Auditor's Office	1,281,141	1,206,516	1,309,300	1,342,700	33,400
Purchasing	178,629	177,773	200,300	228,600	28,300
Treasurer's Office	772,352	719,341	774,800	722,300	(52,500)
<b>Department Total</b>	<b>2,436,467</b>	<b>2,458,020</b>	<b>2,667,800</b>	<b>2,737,800</b>	<b>70,000</b>

Budgeted FTE's	2015	2016	2017	2018	Difference
	22.5	23.5	23.0	22.0	(1.00)

# City of Duluth Minnesota - 2018 Budget

## Budget Office

Through the Chief Financial Officer, the division provides direction to the department and the City in all financial matters. It also provides administration for all City departments and performs the staff function relative to budget planning, development, forecasting, and maintenance.

Budgeted FTE's	2015	2016	2017	2018	Difference
1155 Chief Financial Officer Manager, Budget & Fiscal	1.0	1.0	1.0	1.0	-
1110 Analysis	1.0	1.0	1.0	1.0	-
136 Financial Analyst	1.0	1.0	1.0	1.0	-
<b>Division Total</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>0.0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	143,506	262,544	279,600	292,600	13,000
Overtime	-	-	-	-	-
Other Wages	-	-	-	-	-
Total Salaries	143,506	262,544	279,600	292,600	13,000
Benefits	59,131	86,667	96,700	124,500	27,800
Other Expense					
Materials & Supplies	-	893	2,000	2,000	-
Services	518	3,095	3,600	3,600	-
Utilities & Maintenance	-	-	-	-	-
Other	1,190	1,190	1,500	21,500	20,000
Total Other Expense	1,708	5,178	7,100	27,100	20,000
<b>Division Total</b>	<b>204,345</b>	<b>354,389</b>	<b>383,400</b>	<b>444,200</b>	<b>60,800</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Budget Office - 110-125-1212</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	143,506	262,544	279,600	292,600
5101 Premium Pay	-	-	-	-
5103 Other Wages	-	-	-	-
TOTAL	143,506	262,544	279,600	292,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	10,104	18,176	20,700	21,900
5122 FICA - Social Security	8,679	15,838	17,300	18,100
5123 FICA - Medicare	2,030	3,704	4,100	4,200
5125 Dental Insurance	713	1,083	1,100	1,100
5126 Life Insurance	345	473	500	500
5127 Health Care Savings Plan (HCSP)	1,341	2,991	3,400	21,600
5130 Cafeteria Plan Benefits	35,919	44,404	49,600	57,100
TOTAL	59,131	86,667	96,700	124,500
OTHER EXPENDITURES				
5200 Office Supplies	-	22	1,500	1,500
5201 Computer Supplies/Software	-	871	500	500
5331 Travel/Training	422	3,065	3,000	3,000
5355 Printing & Copying	96	30	600	600
5433 Dues & Subscription	640	1,190	500	500
5434 Grants & Awards	550	-	600	600
5435 Books & Pamphlets	-	-	200	200
5441 Other Services & Charges	-	-	200	20,200
TOTAL	1,708	5,178	7,100	27,100
<b>DIVISION TOTAL</b>	<b>204,345</b>	<b>354,389</b>	<b>383,400</b>	<b>444,200</b>

# City of Duluth Minnesota - 2018 Budget

## City Auditor

Properly audits, accounts and records accounting and payroll transactions in accordance with the City charter, City code and Governmental Accounting and Financial Reporting standards. Responsibilities include processing payroll, grant reporting, and monitoring internal controls over city assets, contracts and records. The office annually prepares the comprehensive annual financial report which is audited by the Minnesota Office of the State Auditor.

Budgeted FTE's	2015	2016	2017	2018	Difference
1115 City Auditor	1.0	1.0	1.0	1.0	-
1085 Financial Systems Admin	1.0	1.0	1.0	1.0	-
1085 Asst City Treasurer	1.0	1.0	-	-	-
10 Payroll Administrator	1.0	1.0	1.0	1.0	-
136 Financial Analyst	4.0	5.0	5.0	5.0	-
129 Payroll Practitioner	0.5	0.5	1.0	1.0	-
<b>Division Total</b>	<b>8.5</b>	<b>9.5</b>	<b>9.0</b>	<b>9.0</b>	<b>0.0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	711,549	635,944	674,800	694,500	19,700
Overtime	10,915	12,288	14,000	14,000	-
Other Wages	-	-	-	-	-
Total Salaries	722,464	648,232	688,800	708,500	19,700
Benefits	276,322	256,483	287,200	309,100	21,900
Other Expense					
Materials & Supplies	3,671	8,506	6,000	6,000	-
Services	276,458	291,613	324,700	316,500	(8,200)
Utilities & Maintenance	-	-	300	300	-
Other	2,226	1,682	2,300	2,300	-
Total Other Expense	282,355	301,801	333,300	325,100	(8,200)
<b>Division Total</b>	<b>1,281,141</b>	<b>1,206,516</b>	<b>1,309,300</b>	<b>1,342,700</b>	<b>33,400</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
City Auditor's Office - 110-125-1214					
PERSONAL SERVICES					
5100	Permanent Salaries	711,549	635,944	674,800	694,500
5101	Premium Pay	10,915	12,288	14,000	14,000
5103	Other Wages	-	-	-	-
	TOTAL	722,464	648,232	688,800	708,500
EMPLOYEE BENEFITS					
5121	PERA Retirement	53,134	48,803	50,800	53,100
5122	FICA - Social Security	43,406	39,032	42,700	43,900
5123	FICA - Medicare	10,151	9,129	10,000	10,300
5125	Dental Insurance	3,565	3,226	3,300	3,300
5126	Life Insurance	1,725	1,411	1,600	1,600
5127	Health Care Savings Plan (HCSP)	15,421	17,855	21,000	16,500
5130	Cafeteria Plan Benefits	148,920	136,771	157,800	180,400
5133	Health or Fitness Program	-	257	-	-
	TOTAL	276,322	256,483	287,200	309,100
OTHER EXPENDITURES					
5200	Office Supplies	2,451	2,663	3,000	3,000
5203	Paper/Stationery/Forms	962	1,771	2,000	2,000
5241	Small Equip-Office/Operating	258	4,071	1,000	1,000
5301	Auditing Services	97,712	103,628	125,000	116,800
5309	IT Services	167,371	179,548	184,000	184,000
5331	Travel/Training	8,112	3,707	13,200	13,200
5355	Printing & Copying	1,678	2,467	1,000	1,000
5356	Copier, Printer Lease & Supplies	1,585	2,263	1,500	1,500
5404	Equipment/Machinery Repair & Mtc	-	-	300	300
5414	Software Licenses & Mtce Agreements	-	-	-	-
5433	Dues & Subscription	1,200	1,279	1,300	1,300
5435	Books & Pamphlets	268	-	500	500
5441	Other Services & Charges	758	403	500	500
	TOTAL	282,355	301,801	333,300	325,100
<b>DIVISION TOTAL</b>		1,281,141	1,206,516	1,309,300	1,342,700

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail		2015	2016	2017	2018
City Auditor's Office - 110-125-1214		Actual	Actual	Budget	Approved
REVENUE SOURCE					
4005	Current Property Tax	12,800,449	13,893,385	14,628,200	16,220,400
4010	Delinquent Property Tax	242,540	261,975	150,000	150,000
4015	Mobile Home Tax	51,359	54,311	58,700	59,700
4070	MN Power Franchise Fee	1,100,000	1,100,000	3,048,500	3,148,500
4071	Cable Franchise Fee	899,897	891,450	899,000	891,500
4072	No. MN Utility Franchise Fee	8,297	7,007	8,300	6,700
4080	Forfeit Tax Sale	19,462	45,401	19,400	19,400
4090	Other Taxes	168,384	83,721	50,000	83,700
4220	State of Minnesota	-	977,935	-	-
4221	Local Government Aid	29,203,638	29,264,120	29,299,700	29,646,000
4222	State Property Tax Aid	2,890	6,402	-	-
4230	PERA Aid	124,428	124,428	124,400	124,400
4300	HRA in Lieu of Taxes	45,644	57,492	56,000	57,400
4300	Ordean Foundation	-	32,172	16,000	16,000
4310	Assessment Cost Services	360	45,628	17,000	40,600
4315	Stormwater Administrative Service	151,800	151,800	154,500	149,400
4315	Sewer Administrative Service	308,000	308,000	232,800	204,600
4315	Steam Administrative Service	49,500	49,500	44,100	50,900
4315	DECC Administrative Service	25,000	25,000	25,000	13,700
4315	DTA Administrative Service	10,300	10,300	10,300	10,300
4315	Grant Administration Services	67,749	63,947	69,000	69,000
4315	Airport Administrative Service	45,200	45,200	45,200	45,200
4315	DEDA Administrative Service	365,000	365,000	365,000	365,000
4315	Public Utility Admin Service	876,600	876,600	771,300	773,700
4315	Fleet Administrative Service	108,200	108,200	136,800	135,900
4315	Golf Administrative Service	55,000	55,000	34,000	18,800
4315	Group Health Admin Service	255,000	255,000	255,000	353,300
4315	Self Insurance Admin Service	283,200	283,200	426,000	457,500
4315	Spirit Mt. Administrative Service	37,700	37,700	37,700	37,700
4315	Parking Administrative Service	23,300	23,300	127,400	136,400
4315	Street Lighting System Utility	59,000	59,000	56,100	50,500
4315	410 West 1st Street Ramp	-	-	-	22,500
4323	Garnishment Fees	225	120	-	-
4472	Administrative Fines	26,240	29,689	74,000	21,600
4473	Court Fines	408,777	427,225	430,000	427,200
4500	Assessments	58,097	59,820	50,500	58,000
4501	Assessments - Penalty & Interest	17,624	25,898	20,800	24,800
4602	Interest on Temporary Loans	27,959	1,267	33,000	-
4622	Rent of Buildings	-	-	-	400,000
4654	Other Reimbursements	365	26,627	400,000	-
4700	Other Sources	22,200	8,484	-	-

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>City Auditor's Office - 110-125-1214 Continued</b>				
4702 Fond du Luth Proceeds	-	150,000	150,000	150,000
4730 Transfer from Special Rev Fund	-	45,300	45,300	45,300
4730 Transfer from Parking Fund	1,326,700	1,326,700	1,376,700	1,326,700
4731 Gas Utility in Lieu of Taxes	3,778,400	2,484,583	2,357,800	2,406,800
4732 Steam Utility in Lieu of Taxes	130,109	136,815	141,400	152,800
<b>DIVISION TOTAL</b>	<b>53,184,593</b>	<b>54,284,700</b>	<b>56,244,900</b>	<b>58,371,900</b>

# City of Duluth Minnesota - 2018 Budget

## City Purchasing

Performs the materials requisition and procurement functions for the City. The emphasis is placed on value purchasing and encompasses purchasing the highest quality materials and services at the lowest possible cost. The division is also responsible for the disposal of excess or obsolete materials.

<b>Budgeted FTE's</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>Difference</b>
1100 Purchasing Agent	1.0	1.0	1.0	1.0	-
133 Senior Buyer	-	-	1.0	1.0	-
129 Bid & Contract Assistant	-	-	-	-	-
129 Financial Specialist	1.0	1.0	-	-	-
<b>Division Total</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>0.0</b>

<b>Expenditures</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2018 Approved</b>	<b>Difference</b>
Personal Services					
Permanent Salaries	126,706	113,847	131,100	142,000	10,900
Overtime	-	-	-	-	-
Other Wages	-	11,876	-	-	-
Total Salaries	126,706	125,723	131,100	142,000	10,900
Benefits	50,046	51,522	63,500	80,900	17,400
Other Expense					
Materials & Supplies	937	148	2,300	2,300	-
Services	102	-	1,400	1,400	-
Utilities & Maintenance	-	-	-	-	-
Other	838	380	2,000	2,000	-
Total Other Expense	1,877	528	5,700	5,700	-
<b>Division Total</b>	<b>178,629</b>	<b>177,773</b>	<b>200,300</b>	<b>228,600</b>	<b>28,300</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>City Purchasing Office - 110-125-1215</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	126,706	113,847	131,100	142,000
5101 Premium Pay	-	-	-	-
5103 Other Wages	-	11,876	-	-
TOTAL	126,706	125,723	131,100	142,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	8,755	8,455	9,800	10,600
5122 FICA - Social Security	7,686	7,492	8,100	8,800
5123 FICA - Medicare	1,798	1,752	1,900	2,100
5125 Dental Insurance	713	690	700	700
5126 Life Insurance	345	297	400	400
5127 Health Care Savings Plan (HCSP)	1,158	1,539	1,800	14,000
5130 Cafeteria Plan Benefits	29,591	31,297	40,800	44,300
TOTAL	50,046	51,522	63,500	80,900
OTHER EXPENDITURES				
5200 Office Supplies	533	148	2,000	2,000
5201 Computer Supplies/Software	404	-	300	300
5331 Travel/Training	80	-	-	-
5340 Advertising & Promotion	-	-	900	900
5355 Printing & Copying	22	-	500	500
5433 Dues & Subscription	334	-	1,000	1,000
5441 Other Services & Charges	504	380	1,000	1,000
TOTAL	1,877	528	5,700	5,700
<b>DIVISION TOTAL</b>	<b>178,629</b>	<b>177,773</b>	<b>200,300</b>	<b>228,600</b>

# City of Duluth Minnesota - 2018 Budget

## City Treasurer

The Treasury has custody of all City funds, assures their effective use and security, and provides organizational cash management, investment services, and banking relations. The division administers and collects authorized local taxes, files required State and Federal taxes, manages other tax collection records, and is the public source for per parcel assessment debt.

Budgeted FTE's	2015	2016	2017	2018	Difference
1115 City Treasurer	1.0	1.0	1.0	-	(1.0)
136 Financial Analyst	1.0	1.0	1.0	1.0	-
135 Credit/Collections Admin	1.0	1.0	1.0	1.0	-
133 Finance Office Coord.	1.0	1.0	1.0	1.0	-
129 Assessment Sys Analyst	-	-	-	-	-
129 Admin Financial Spec.	3.0	3.0	3.0	3.0	-
126 Information Technician	-	-	-	-	-
121 Clerical Support Tech	2.0	2.0	-	-	-
126 Finance Technician	-	-	2.0	2.0	-
<b>Division Total</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>8.0</b>	<b>(1.0)</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	518,482	516,074	530,500	464,600	(65,900)
Overtime	-	-	-	-	-
Other Wages	7,388	-	-	-	-
<b>Total Salaries</b>	<b>525,870</b>	<b>516,074</b>	<b>530,500</b>	<b>464,600</b>	<b>(65,900)</b>
Benefits	215,697	199,397	230,300	243,700	13,400
Other Expense					
Materials & Supplies	19	134	1,500	1,500	-
Services	2,590	3,470	11,000	11,000	-
Utilities & Maintenance	-	-	500	500	-
Other	28,176	265	1,000	1,000	-
<b>Total Other Expense</b>	<b>30,785</b>	<b>3,870</b>	<b>14,000</b>	<b>14,000</b>	<b>-</b>
<b>Division Total</b>	<b>772,352</b>	<b>719,341</b>	<b>774,800</b>	<b>722,300</b>	<b>(52,500)</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>City Treasurer's Office - 110-125-1216</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	518,482	516,074	530,500	464,600
5101 Premium Pay	-	-	-	-
5103 Other Wages	7,388	-	-	-
TOTAL	525,870	516,074	530,500	464,600
EMPLOYEE BENEFITS				
5121 PERA Retirement	38,040	36,710	38,700	34,900
5122 FICA - Social Security	31,583	31,082	32,900	28,800
5123 FICA - Medicare	7,386	7,269	7,700	6,700
5125 Dental Insurance	3,317	3,193	3,300	3,000
5126 Life Insurance	1,605	1,391	1,600	1,400
5127 Health Care Savings Plan (HCSP)	8,563	7,944	20,300	19,900
5130 Cafeteria Plan Benefits	125,203	111,586	125,800	149,000
5133 Health or Fitness Program	-	222	-	-
TOTAL	215,697	199,397	230,300	243,700
OTHER EXPENDITURES				
5200 Office Supplies	19	134	1,500	1,500
5306 Collection Services	1,685	3,101	5,000	5,000
5331 Travel/Training	249	99	2,000	2,000
5355 Printing & Copying	275	270	4,000	4,000
5356 Copier, Printer Lease & Supplies	381	-	-	-
5404 Equipment/Machinery Repair & Mtc	-	-	500	500
5430 Bank Charges	28,003	-	-	-
5433 Dues & Subscription	127	127	500	500
5441 Other Services & Charges	46	138	500	500
TOTAL	30,785	3,870	14,000	14,000
<b>DIVISION TOTAL</b>	<b>772,352</b>	<b>719,341</b>	<b>774,800</b>	<b>722,300</b>

# City of Duluth Minnesota - 2018 Budget

<b>General Fund Revenue Detail</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2018 Approved</b>
<b>City Treasurer's Office - 110-125-1216</b>				
REVENUE SOURCE				
4040 City Sales Tax	13,659,806	13,240,215	14,102,800	13,586,600
4050 Charitable Gambling Tax	59,506	59,498	60,000	20,000
4310 Assessment Cost Services	1,296	-	-	-
4311 Assessment Certificate Fee	28,876	9,316	8,000	20,000
4313 Assessment Handling Fee	-	-	-	-
4323 Garnishment Fees	-	30	-	-
4601 Earning on Investments	978	(20,873)	-	-
4644 Miscellaneous Fees	4,235	954	1,000	1,000
4730 Transfer from Tourism Taxes	124,856	136,298	125,600	125,600
<b>DIVISION TOTAL</b>	<b>13,879,553</b>	<b>13,425,438</b>	<b>14,297,400</b>	<b>13,753,200</b>

# City of Duluth Minnesota - 2018 Budget

## Planning & Construction Services

### Mission and Vision

The Planning and Construction Services Department consists of the Community Planning Division and the Construction Services Division working together to make the City of Duluth a desirable and safe place to live by developing and implementing community development plans as well as land use and building regulations. The Planning and Construction Services Department, along with the Engineering Division, comprise the One Stop Shop – the customer gateway to the City of Duluth for building permits and plan review of proposed development activities.

The Planning and Construction Services Department works with the community – residents and neighborhood groups, development professionals and businesses – to ensure development and redevelopment in Duluth is sustainable and compatible with surrounding neighborhoods and the natural landscape; and develops thoughtful plans to further the goals and principles established in the Comprehensive Land Use Plan and the City's Consolidated Plan for Housing & Urban Development Resources.

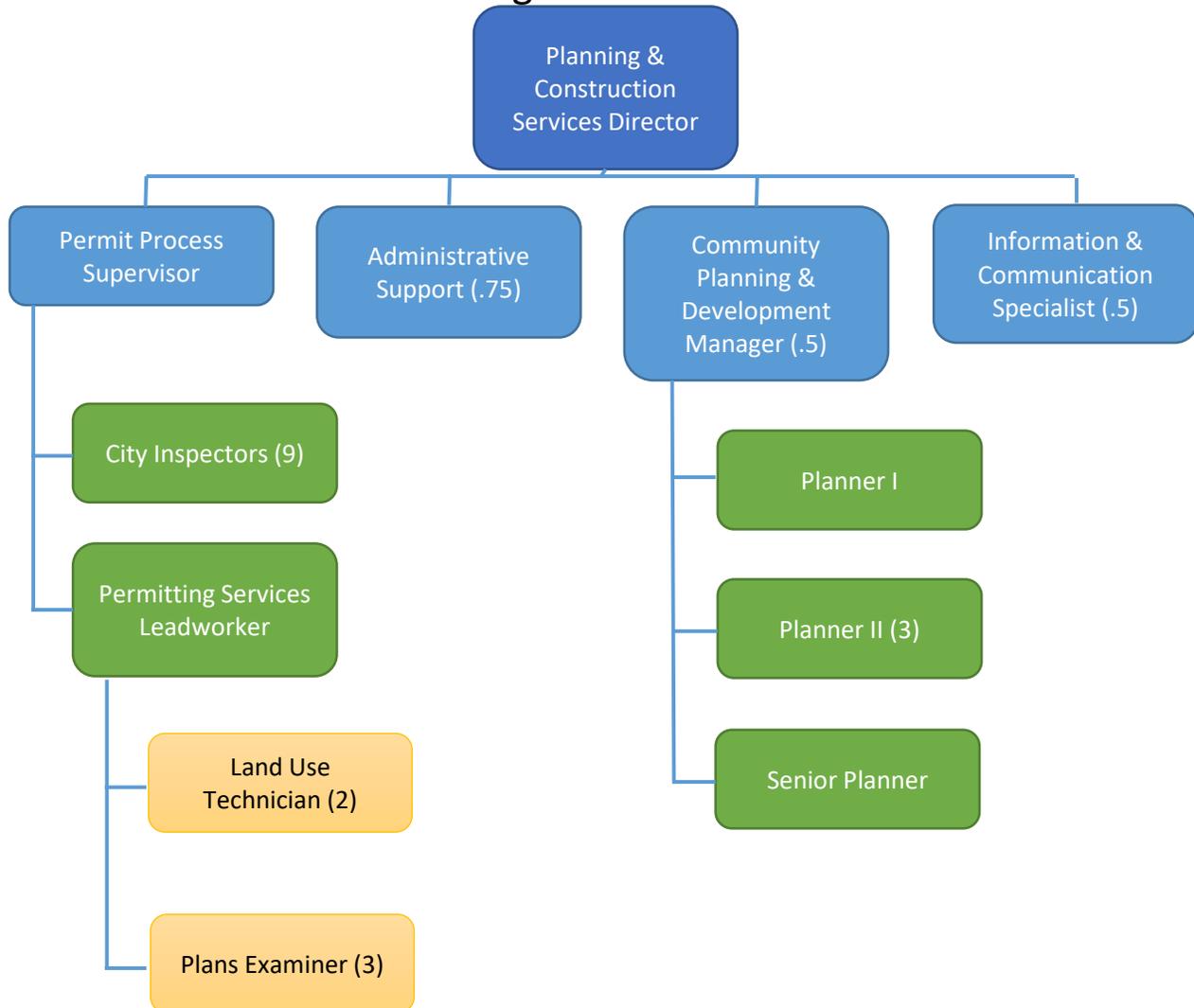
### Structure

The Department of Planning and Construction Services combines the construction services function with the Community Planning Division. The functions of the department are planning, zoning, construction permitting, and enforcing land and building regulations, along with implementing the Community's goals from the Consolidated Plan for community revitalization.

# City of Duluth Minnesota - 2018 Budget

## Planning & Construction Services

### Organization Chart



# City of Duluth Minnesota - 2018 Budget

## Planning & Construction Services - Goals and Objectives

**Goal:** Continue to implement the Unified Development Code – the UDC  
**Objective:** Process land use applications.  
**Strategy:** Assist customers to develop or redevelop their property.  
**Measurements and Performance:**

Percentage of zoning applications that are completed prior to the State mandated review time line  
 Goal is 70% of the Applications completed

2016 Estimate	2017 Target	2017 Actual	2018 Target
78	75	67	75

**Goal:** Streamline Permitting process and continue implementation of One Stop Shop  
**Objective:** Review and improve procedures for permit review to improve efficiencies  
**Strategy:** 1. Develop Small Business user guide for entrepreneurs to work through permit process  
 2. Update UDC to achieve redevelopment goals  
**Measurements and Performance:**

Percentage of permits and plan reviews that exceed base performance measure  
 Goal is 80% of the permits are issued in 25 days and plans within 7 days

2016 Estimate	2017 Target	2017 Actual	2018 Target
64	70	67	78

**Goal:** Implement the Comprehensive Land Use Plan  
**Objective:** Bring existing zoning into compliance with the Comprehensive Plan.  
 Prepare Small area plans  
**Strategy:** 1. Complete – UDC Rezoning process  
**Measurements and Performance:**

Percentage of City rezoned to match Comprehensive Plan

2016 Estimate	2017 Target	2017 Actual	2018 Target
85%	95%	98	100%

# City of Duluth Minnesota - 2018 Budget

## Planning & Construction Services - Goals and Objectives Continued

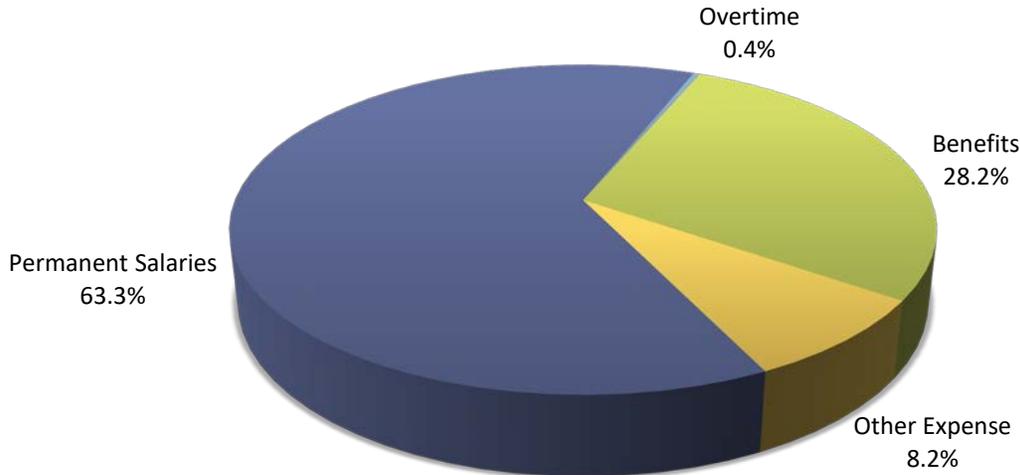
<p><b>Goal:</b> Update the Comprehensive Land Use Plan  <b>Objective:</b> Revise and modify the Comprehensive Plan every 10 years (current comp plan was adopted in 2006).  <b>Strategy:</b> 1. Initiate update process in 2016 for completion in 2017/18                  2. Develop strategies for Comp. Plan from Economic Development Strategic Plan                  3. Include citywide transportation element, also re-examine open space and recreation future land use categories  <b>Measurements and Performance:</b>                  Number of participants in process.</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	
4600	1600	5700	Complete	
Percentage of Comprehensive Land Use Plan completed				
2016 Estimate	2017 Target	2017 Actual	2018 Target	
40%	90%	85	Complete	

<p><b>Goal:</b> Implement the Consolidated Plan  <b>Objective:</b> Invest funds to achieve strategic community development goals  <b>Strategy:</b> 1. Provide safe and decent affordable housing                  2. Improve the economic self-sufficiency of low income persons                  3. Meet basic needs for persons who are homeless  <b>Measurements and Performance:</b>                  Number of units rehabilitated or created</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	
144	160	290	160	
Number of persons who increase their incomes				
2016 Estimate	2017 Target	2017 Actual	2018 Target	
38	38	38	0	
Number of persons served				
2016 Estimate	2017 Target	2017 Actual	2018 Target	
27733	21248	22010	21248	

# City of Duluth Minnesota - 2018 Budget

## Planning & Construction Services Department 2018 Approved Budget by Expense Category



Expenditures by Category	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Permanent Salaries	1,469,684	1,427,854	1,579,600	1,572,100	(7,500)
Overtime	8,374	10,162	9,000	9,000	-
Other Wages	1,425	569	-	-	-
Total Personal Services	1,479,483	1,438,584	1,588,600	1,581,100	(7,500)
Benefits	595,035	551,871	656,700	700,200	43,500
Other Expense	352,968	433,434	209,200	203,300	(5,900)
Capital Outlay	-	-	-	-	-
<b>Department Total</b>	<b>2,427,486</b>	<b>2,423,889</b>	<b>2,454,500</b>	<b>2,484,600</b>	<b>30,100</b>

Expenditures by Division	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Planning	765,325	677,780	746,900	769,400	22,500
Construction Srv&Inspect	1,662,161	1,746,110	1,707,600	1,715,200	7,600
<b>Department Total</b>	<b>2,427,486</b>	<b>2,423,889</b>	<b>2,454,500</b>	<b>2,484,600</b>	<b>30,100</b>

Budgeted FTE's	2015	2016	2017	2018	Difference
	24.2	24.2	24.5	23.4	(1.1)

# City of Duluth Minnesota - 2018 Budget

## Planning

Works to ensure that development is consistent with the City's future as an urban wilderness, neighborly and safe place to live, and as a place of high-skilled, high-waged employment.

Budgeted FTE's	2015	2016	2017	2018	Difference
1150 Dir, Plng & Develop.	0.7	0.7	0.7	0.67	-
1085 Land Use Supervisor	1.0	-	-	-	-
1085 Manager CD & Housing	-	0.5	0.5	0.5	-
136 Senior Planner	2.0	1.0	1.3	1.0	(0.3)
133 Planner II	3.0	4.0	3.0	3.0	-
129 Planner I	-	-	1.0	1.0	-
129 Admin Info Specialist	0.5	0.5	0.5	0.75	0.3
<b>Division Total</b>	<b>7.2</b>	<b>6.7</b>	<b>7.0</b>	<b>6.92</b>	<b>-0.1</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	450,146	422,512	501,100	500,100	(1,000)
Overtime	1,750	2,707	-	-	-
Other Wages	1,425	569	-	-	-
<b>Total Salaries</b>	<b>453,321</b>	<b>425,788</b>	<b>501,100</b>	<b>500,100</b>	<b>(1,000)</b>
Benefits	158,193	164,423	187,400	212,900	25,500
Other Expense					
Materials & Supplies	852	4,146	4,500	3,100	(1,400)
Services	138,137	66,743	38,000	37,900	(100)
Utilities & Maintenance	-	-	-	-	-
Other	14,822	16,679	15,900	15,400	(500)
<b>Total Other Expense</b>	<b>153,811</b>	<b>87,569</b>	<b>58,400</b>	<b>56,400</b>	<b>(2,000)</b>
<b>Division Total</b>	<b>765,325</b>	<b>677,780</b>	<b>746,900</b>	<b>769,400</b>	<b>22,500</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Planning - 110-132-1301</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	450,146	422,512	501,100	500,100
5101 Premium Pay	1,750	2,707	-	-
5103 Other Wages	1,425	569	-	-
TOTAL	453,321	425,788	501,100	500,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	32,707	30,558	36,300	37,600
5122 FICA - Social Security	27,052	25,451	31,100	31,100
5123 FICA - Medicare	6,378	5,996	7,300	7,300
5125 Dental Insurance	2,450	2,481	2,600	2,600
5126 Life Insurance	1,186	1,080	1,300	1,200
5127 Health Care Savings Plan (HCSP)	7,113	14,515	10,200	16,600
5130 Cafeteria Plan Benefits	81,307	84,071	98,600	116,500
5133 Health or Fitness Program	-	270	-	-
TOTAL	158,193	164,423	187,400	212,900
OTHER EXPENDITURES				
5200 Office Supplies	852	2,524	3,200	1,800
5201 Computer Supplies/Software	-	1,622	1,000	1,000
5241 Small Equip-Office/Operating	-	-	300	300
5309 Technology Services	-	-	-	-
5310 Contract Services	97,127	50,182	-	-
5319 Other Professional Services	29,339	10,025	20,000	20,000
5321 Phone Service	850	1,200	600	600
5322 Postage	28	-	1,000	1,000
5331 Travel/Training	4,110	4,379	4,000	4,000
5335 Local Mileage Reimbursement	-	-	400	300
5355 Printing & Copying	6,118	641	11,500	11,500
5356 Copier, Printer Lease & Supplies	565	316	500	500
5414 Software Licenses & Mtce Agreements	10,683	11,004	11,000	11,000
5418 Vehicle/Equip Lease (Long-term)	-	-	-	-
5433 Dues & Subscription	1,786	1,820	2,500	2,500
5435 Books & Pamphlets	-	23	200	200
5441 Other Services & Charges	1,523	2,190	1,500	1,000
5443 Board & Meeting Expenses	830	1,642	700	700
TOTAL	153,811	87,569	58,400	56,400
<b>DIVISION TOTAL</b>	<b>765,325</b>	<b>677,780</b>	<b>746,900</b>	<b>769,400</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Planning - 110-132-1301</b>				
REVENUE SOURCE				
4210 Pass-thru Federal Grants	364	1,017	-	-
4220 State of Minnesota	20,000	-	-	-
4307 Planning/Zoning Fees	92,295	76,945	80,000	80,000
4631 Media Sales	96	48	200	100
4644 Misc Fees, Sales & Services	-	6	-	-
4654 Other Reimbursements	97,265	48,631	-	-
4660 Gifts and Donations	10,000	-	-	-
<b>DIVISION TOTAL</b>	<b>220,020</b>	<b>126,647</b>	<b>80,200</b>	<b>80,100</b>

# City of Duluth Minnesota - 2018 Budget

## Construction Services & Inspection

Supervised by the Building Official, this division handles all construction permitting, plan review, zoning, and demolition processing.

Budgeted FTE's	2015	2016	2017	2018	Difference
1085 Permit Process Supervisor	1.0	1.0	1.0	1.0	-
132 Info & Comm Specialist	-	0.5	0.5	0.5	-
129 Admin Information Spec	-	-	-	-	-
126 Information Technician	1.0	1.0	1.0	-	(1.0)
36 Const Inspect Leadworker	1.0	1.0	1.0	1.0	-
32 Permitting Svcs Leadworker	-	1.0	1.0	1.0	-
32 Combination Svcs Inspector	-	1.0	1.0	1.0	-
31 Electrical Inspector	2.0	2.0	2.0	2.0	-
31 Plumbing Inspector	2.0	2.0	2.0	2.0	-
31 Construction Inspector	3.0	2.0	2.0	2.0	-
31 HVAC Inspector	1.0	1.0	1.0	1.0	-
32 Plans Exam Leadworker	-	-	-	-	-
29 Plans Examiner	3.0	2.0	3.0	3.0	-
28 Land Use Technician	3.0	3.0	2.0	2.0	-
					-
Division Total	17.0	17.5	17.5	16.5	-1.0

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	1,019,538	1,005,342	1,078,500	1,072,000	(6,500)
Overtime	6,624	7,454	9,000	9,000	-
Other Wages	-	-	-	-	-
Total Salaries	1,026,162	1,012,796	1,087,500	1,081,000	(6,500)
Benefits	436,842	387,448	469,300	487,300	18,000
Other Expense					
Materials & Supplies	15,547	12,144	16,700	16,700	-
Services	33,016	24,524	41,000	40,100	(900)
Utilities & Maintenance	24,495	14,269	23,600	22,600	(1,000)
Other	45,797	52,311	49,500	47,500	(2,000)
Building Demolition	80,302	242,618	20,000	20,000	-
Total Other Expense	199,157	345,865	150,800	146,900	(3,900)
Division Total	1,662,161	1,746,110	1,707,600	1,715,200	7,600

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Construction Services &amp; Inspection - 110-132-1304</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	1,019,538	1,005,342	1,078,500	1,072,000
5101 Premium Pay	6,624	7,454	9,000	9,000
5103 Other Wages	-	-	-	-
TOTAL	1,026,162	1,012,796	1,087,500	1,081,000
EMPLOYEE BENEFITS				
5121 PERA Retirement	75,253	73,305	80,100	81,100
5122 FICA - Social Security	62,159	61,824	67,400	67,000
5123 FICA - Medicare	14,537	14,459	15,800	15,700
5125 Dental Insurance	6,293	5,975	6,400	6,100
5126 Life Insurance	3,045	2,599	3,100	3,000
5127 Health Care Savings Plan (HCSP)	30,104	17,340	28,900	23,100
5130 Cafeteria Plan Benefits	245,451	211,947	267,600	291,300
TOTAL	436,842	387,448	469,300	487,300
OTHER EXPENDITURES				
5200 Office Supplies	2,685	2,528	3,300	3,300
5205 Safety & Training Materials	839	189	900	900
5212 Motor Fuels	10,938	8,378	11,000	11,000
5219 Other Miscellaneous Supplies	511	526	900	900
5241 Small Equip-Office/Operating	574	523	600	600
5309 Technology Services	-	-	-	-
5321 Phone Service	7,761	7,197	4,500	4,500
5331 Travel/Training	14,070	9,235	14,000	14,000
5335 Local Mileage Reimbursement	32	-	1,500	600
5355 Printing & Copying	8,121	7,710	12,500	12,500
5356 Copier, Printer Lease & Supplies	3,032	382	8,500	8,500
5404 Equipment/Machinery Repair & Mtc	1,204	-	1,600	600
5409 Fleet Services Charges	23,291	14,269	22,000	22,000
5414 Software Licenses & Mtce Agreements	17,776	18,644	20,000	20,000
5427 Credit Card Commissions	21,693	26,293	17,500	17,500
5433 Dues & Subscription	1,170	1,600	1,500	1,500
5435 Books & Pamphlets	4,483	4,728	5,500	4,500
5441 Other Services & Charges	675	1,046	5,000	4,000
5453 Building Demolition	80,302	242,618	20,000	20,000
TOTAL	199,157	345,865	150,800	146,900
<b>DIVISION TOTAL</b>	1,662,161	1,746,110	1,707,600	1,715,200

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Construction Services &amp; Inspection - 110-132-1304</b>				
REVENUE SOURCE				
4151 Fill Permits	3,042	2,394	1,200	1,100
4301 Zoning Appeals Fees	-	-	600	600
4303 Use Permit - Flood & Wetlands	3,130	2,496	1,000	900
4350 Inspection Services	-	-	-	-
4351 Building Inspection Fees	1,560,893	1,259,438	1,597,800	1,481,100
4352 Plumbing Inspection Fees	162,866	132,334	196,500	182,200
4353 Electric Inspection Fees	212,785	215,621	207,400	192,300
4354 HVAC-R Inspection Fees	213,142	215,707	163,800	151,800
4355 Signs Inspection Fees	17,827	16,129	11,400	10,600
4356 House Moving Inspection Fee	10,243	4,351	9,800	9,100
4357 Mobile Home Inspection Fees	288	416	2,100	1,900
4359 CAF Administrative Fee	19,078	12,370	16,500	15,300
4361 RZP Registration Fee	16,380	15,482	14,100	13,100
4500 Assessments	22,354	3,710	55,100	51,100
4501 Assessments - Penalty & Interest	4,644	725	-	-
4602 Interest	-	1,062	-	-
4631 Media Sales	1,292	1,872	3,600	3,300
4644 Miscellaneous Sales	585	650	500	500
4654 Other Reimbursements	-	156,721	-	-
4680 Damage or Losses Recovered	-	12,772	-	-
4701 2% Retention Surtax	1,541	1,182	1,500	1,400
<b>DIVISION TOTAL</b>	<b>2,250,090</b>	<b>2,055,432</b>	<b>2,282,900</b>	<b>2,116,300</b>

# City of Duluth Minnesota - 2018 Budget

## Business & Economic Development

### Mission and Vision

The Mission of the Business & Economic Development Department is to strategically invest resources that contribute to the prosperity, sustainable growth and economic development of the City of Duluth. The Business & Economic Development Department combines the resources of two inter-related divisions, business and workforce development, into one department that advances economic development throughout the City. Business and Economic Development staff work closely with Duluth employers to better understand their current and future needs, challenges and opportunities for the purpose of developing targeted development strategies to implement within the city.

Business Development creates a supportive business environment by leveraging public and private partnerships to develop and implement strategic work plans and targeted marketing strategies that support business retention, expansion and entrepreneurial growth.

Economic Development secures programmatic funding from federal and state sources to operate employment, training, and career development programs for businesses and individuals that supports the overall growth of workforce talent available in the city. Working to build up a diverse and talented workforce is crucial to the overall health of our businesses, and also leads to greater opportunities and prosperity for our residents.

In order to accomplish our Mission, we:

- Encourage business growth, job creation and retention by facilitating access to City services and investing department resources into key private sector development projects and special initiatives.
- Facilitate strategic investments in public infrastructure and the redevelopment of challenged real estate sites by securing State and Federal resources such as contamination investigation and clean up, redevelopment, and transportation infrastructure grants and other forms of financial assistance to support real estate development.
- Advance strategies that are designed to spur the growth of the property tax base and sales & use taxes collected resulting from the construction of new mixed-use, commercial and industrial business sector expansions city-wide.
- Strategically manage City and Economic Development Authority assets, land and buildings.
- Strategically advance talent recruitment, retention and development initiatives including the provision of comprehensive workforce development services to businesses and individuals served out of the downtown Duluth Workforce Development Center.
- Advocate for progressive development policies at local, state and federal levels.

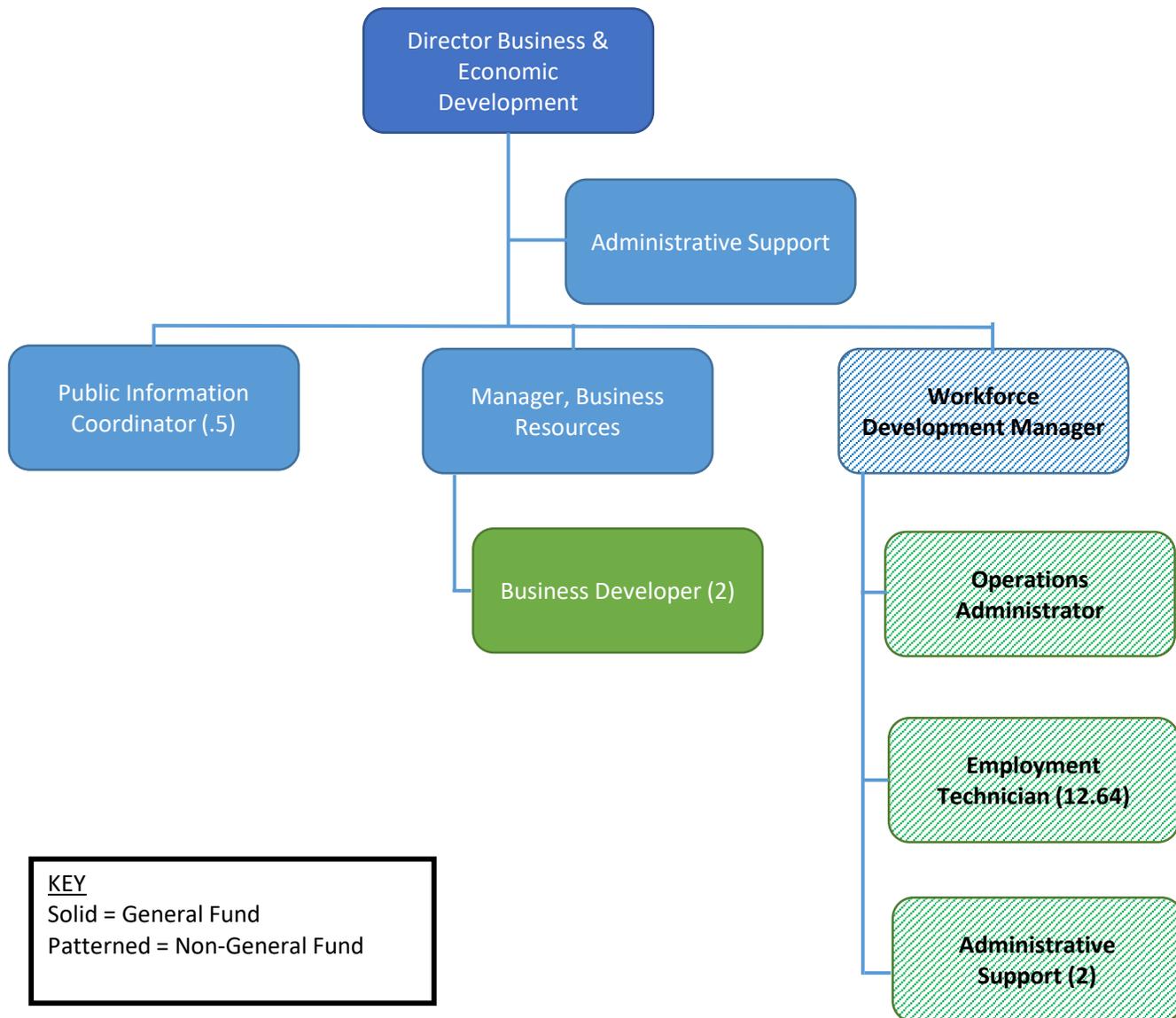
### Structure

The Business & Economic Development Department is comprised of two divisions – one in the General Fund which is Business Development; and one in the Special Revenue Fund which is Workforce Development. The Department Director also serves as the Executive Director of the Duluth Economic and Development Authority or DEDA and the Duluth 1200 Fund, a non-profit providing gap financing loan programs for small businesses within Duluth city limits.

# City of Duluth Minnesota - 2018 Budget

## Business & Economic Development

### Organization Chart



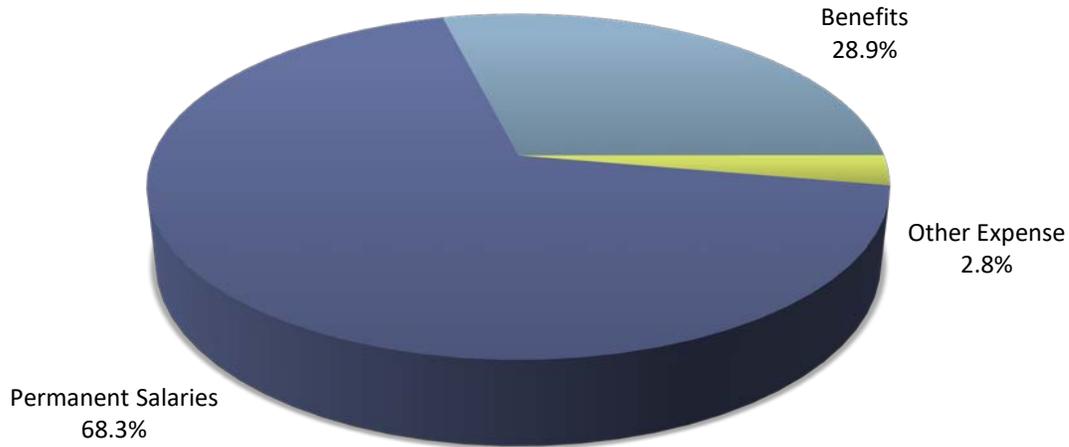
# City of Duluth Minnesota - 2018 Budget

## Business & Economic Development - Goals and Objectives

<p><b>Goal:</b> Promote and facilitate new development and redevelopment opportunities within the industrial, commercial and retail sectors for both existing Duluth businesses and businesses new to Duluth.</p> <p><b>Objective:</b> Leverage public and private funding sources for cleanup and redevelopment of property. Address the critical need of strengthening our workforce. Work with agency partners to recruit new businesses. Help to steer the direction of our economy. Consider potential incentives to business projects. Be intentional in inter-department initiatives that continue to define Duluth as the location where businesses and employees want to locate.</p> <p><b>Strategy:</b> Utilization of grants. Engage local employers in the discussion of workforce and other critical needs. Develop a new business recruitment strategy with other agency partners. Participate in the Comprehensive Plan update process to ensure inclusion of economic development needs and priorities. Business Retention and Expansion (BRE) visits conducted with local companies. Engage in planning and development efforts in strategic locations. Knowledge of available financial resources for business is attained and deployed effectively.</p> <p><b>Measurements and Performance:</b></p> <p>Number of project sites with secured funding for site cleanup and/or redevelopment</p> <table border="1"> <thead> <tr> <th>2016 Estimate</th> <th>2017 Target</th> <th>2017 Actual</th> <th>2018 Target</th> <th>2019 Target</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>2</td> <td>2</td> <td>3</td> <td>4</td> </tr> </tbody> </table> <p>Number of grant applications submitted</p> <table border="1"> <thead> <tr> <th>2016 Estimate</th> <th>2017 Target</th> <th>2017 Actual</th> <th>2018 Target</th> <th>2019 Target</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>3</td> <td>3</td> <td>3</td> <td>3</td> </tr> </tbody> </table> <p>Acres of available industrial land</p> <table border="1"> <thead> <tr> <th>2016 Estimate</th> <th>2017 Target</th> <th>2017 Actual</th> <th>2018 Target</th> <th>2019 Target</th> </tr> </thead> <tbody> <tr> <td>30</td> <td>30</td> <td>30</td> <td>30</td> <td>30</td> </tr> </tbody> </table> <p>Number of BRE visits</p> <table border="1"> <thead> <tr> <th>2016 Estimate</th> <th>2017 Target</th> <th>2017 Actual</th> <th>2018 Target</th> <th>2019 Target</th> </tr> </thead> <tbody> <tr> <td>25</td> <td>30</td> <td>50</td> <td>40</td> <td>40</td> </tr> </tbody> </table> <p>Number of new retail and commercial opportunities.</p> <table border="1"> <thead> <tr> <th>2016 Estimate</th> <th>2017 Target</th> <th>2017 Actual</th> <th>2018 Target</th> <th>2019 Target</th> </tr> </thead> <tbody> <tr> <td>2</td> <td>3</td> <td>5</td> <td>5</td> <td>5</td> </tr> </tbody> </table>					2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target	2	2	2	3	4	2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target	2	3	3	3	3	2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target	30	30	30	30	30	2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target	25	30	50	40	40	2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target	2	3	5	5	5
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# City of Duluth Minnesota - 2018 Budget

## Business & Economic Development Department 2018 Proposed Budget by Expense Category



Expenditures by Category	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Permanent Salaries	377,018	400,635	428,300	444,700	16,400
Overtime	2,513	2,024	-	-	-
Other Wages	-	-	-	-	-
<b>Total Personal Services</b>	<b>379,531</b>	<b>402,659</b>	<b>428,300</b>	<b>444,700</b>	<b>16,400</b>
Benefits	159,617	130,800	157,600	188,000	30,400
Other Expense	23,616	21,516	23,300	18,300	(5,000)
<b>Department Total</b>	<b>562,764</b>	<b>554,976</b>	<b>609,200</b>	<b>651,000</b>	<b>41,800</b>

Budgeted FTE's	2015	2016	2017	2018	Difference
Budgeted FTE's	5.5	5.5	5.5	5.5	-

# City of Duluth Minnesota - 2018 Budget

## Business and Economic Development

Provides guidance for the growth, development, and redevelopment of the community through the preparation and implementation of plans for the City's future.

Budgeted FTE's	2015	2016	2017	2018	Difference
1150 Dir., Business & ED	1.0	1.0	1.0	1.0	-
1125 Business Dev Manager	1.0	1.0	1.0	1.0	-
138 Sr Business Developer	-	1.0	-	-	-
135 Business Developer	2.0	1.0	2.0	2.0	-
135 Contract Administrator	-	-	-	-	-
135 Public Info Coordinator	1.0	1.0	0.5	0.5	-
126 Information Tech	0.5	0.5	-	-	-
129 Administrative Info Spec	-	-	1.0	1.0	-
<b>Division Total</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>	<b>-</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	377,018	400,635	428,300	444,700	16,400
Overtime	2,513	2,024.15	-	-	-
Other Wages	-	-	-	-	-
<b>Total Salaries</b>	<b>379,531</b>	<b>402,659</b>	<b>428,300</b>	<b>444,700</b>	<b>16,400</b>
Benefits	159,617	130,800	157,600	188,000	30,400
Other Expense					
Materials & Supplies	700	728	1,300	700	(600)
Services	19,369	12,685	19,700	11,000	(8,700)
Utilities & Maintenance	-	-	-	-	-
Other	3,547	8,104	2,300	6,600	4,300
<b>Total Other Expense</b>	<b>23,616</b>	<b>21,516</b>	<b>23,300</b>	<b>18,300</b>	<b>(5,000)</b>
<b>Division Total</b>	<b>562,764</b>	<b>554,976</b>	<b>609,200</b>	<b>651,000</b>	<b>41,800</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Business &amp; Economic Development - 110-135-1310</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	377,018	400,635	428,300	444,700
5101 Premium Pay	2,513	2,024	-	-
5103 Other Wages	-	-	-	-
TOTAL	379,531	402,659	428,300	444,700
EMPLOYEE BENEFITS				
5121 PERA Retirement	27,693	28,709	31,600	33,400
5122 FICA - Social Security	23,058	24,809	26,600	27,600
5123 FICA - Medicare	5,393	5,802	6,200	6,500
5125 Dental Insurance	1,953	1,849	2,000	2,000
5126 Life Insurance	945	808	1,000	1,000
5127 Health Care Savings Plan (HCSP)	22,312	7,833	6,900	19,200
5130 Cafeteria Plan Benefits	78,263	60,989	83,300	98,300
TOTAL	159,617	130,800	157,600	188,000
OTHER EXPENDITURES				
5200 Office Supplies	612	654	1,300	700
5319 Other Professional Service	2,670	785	13,000	1,094
5321 Phone Service	2,170	2,062	1,300	2,200
5331 Travel/Training	13,578	7,164	4,200	4,200
5335 Local Mileage Reimbursement	878	2,637	700	3,006
5355 Printing & Copying	73	38	500	500
5356 Copier, Printer Lease & Supplies	88	74	-	-
5433 Dues & Subscription	275	3,094	400	3,200
5441 Other Services & Charges	980	2,311	400	400
5443 Board & Meeting Expenses	2,292	2,699	1,500	3,000
TOTAL	23,616	21,516	23,300	18,300
<b>DIVISION TOTAL</b>	<b>562,764</b>	<b>554,976</b>	<b>609,200</b>	<b>651,000</b>

# City of Duluth Minnesota - 2018 Budget

<b>General Fund Revenue Detail</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Budget</b>	<b>2018 Approved</b>
<b>Business &amp; Economic Development - 110-135-1310</b>				
REVENUE SOURCE				
4644 Miscellaneous Sales	34,218	-	34,000	35,200
4654 Other Reimbursements Refunds	7,340	1,417	-	-
<b>DIVISION TOTAL</b>	41,558	1,417	34,000	35,200

# City of Duluth Minnesota - 2018 Budget

## Fire Department

### Mission and Vision

“Dedicated to saving life and property by safeguarding our citizens through progressive code enforcement, fire prevention, public education, effective emergency response, and adapting to meet the changing needs of our community.”

For over 147 years, the Duluth Fire Department has been responding to meet the public safety needs of our community. We provide this service through a well-trained staff, up-to-date and well-maintained equipment, and our ability to adapt to the changing emergency response expectations of our citizens. While our mission to save life and property has remained consistent over the department's history, how we carry out our mission and what type services we provide have significantly changed. There has been an increase in demand for services such as EMS, Hazmat, specialized rescue, code enforcement, emergency management, and quality of life services. Utilization of services has steadily increased, with a noted jump of 300% in emergency calls in the last two decades. The trend of increased dependency on emergency services and the utilization of programs are major drivers of the services provided and how resources are allocated.

### Structure

The Fire Department is a para-military organization. Within the Department, there are three main Divisions:

- Administration
- Operations
- Fire Prevention and Life Safety

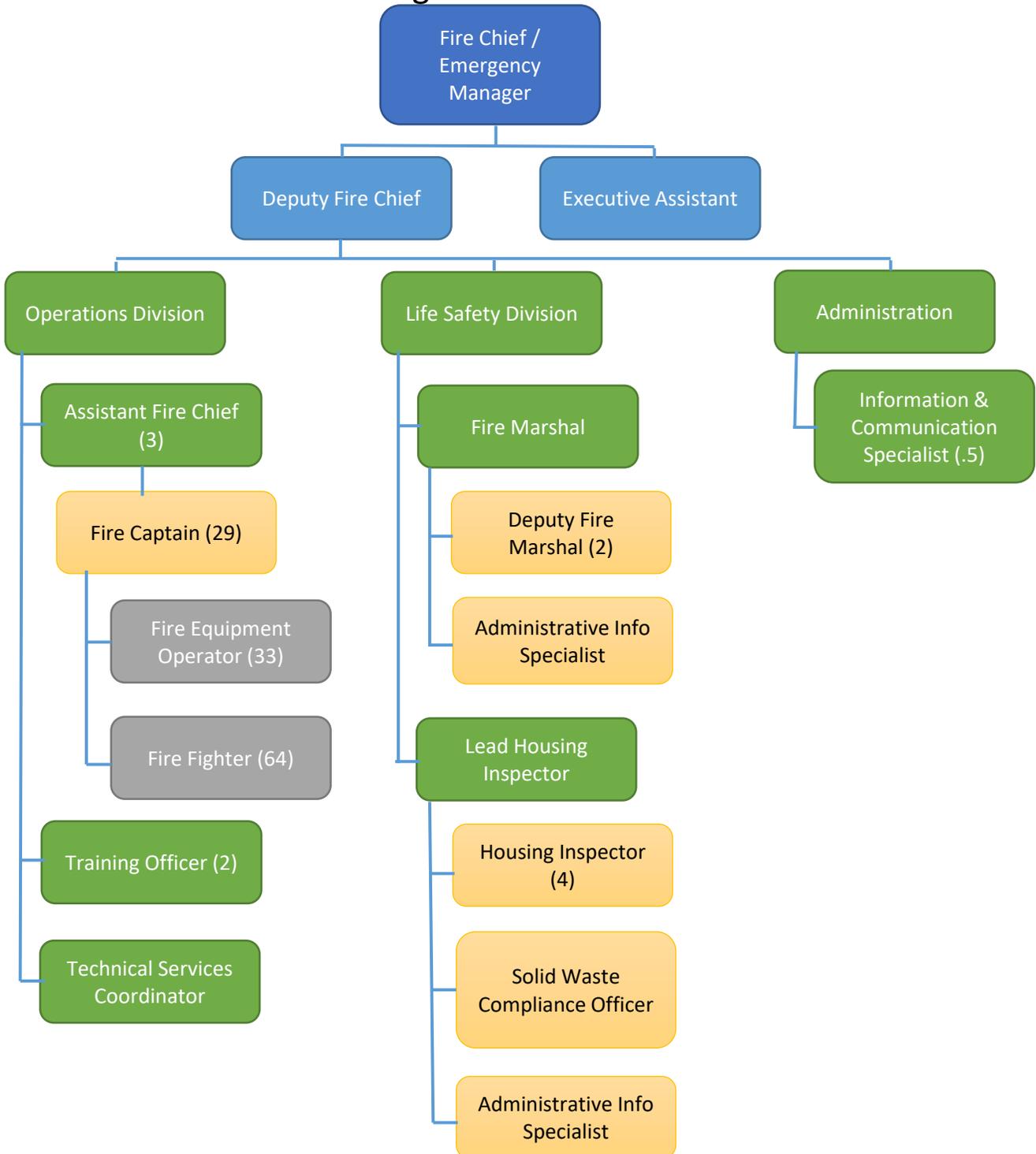
The structure of the Fire Department has four main components: Fire Administration, Emergency Operations, Life Safety Services (Prevention, Plan Review, Licensing and Inspection Services), and Emergency Management. From these business lines, we provide programs that support our mission. The following represent the primary services and programs the Fire Department provides:

- All Hazard Emergency Response
- Fire Code Management and Inspection
- Housing Code Enforcement and Rental Licensing Programs
- Nuisance & Blight Abatement – Quality of Life
- Public Safety & School Fire Safety Programs
- Fire Cause and Arson Investigation
- City Wide Emergency Management and Preparedness

# City of Duluth Minnesota - 2018 Budget

## Fire Department

### Organization Chart



# City of Duluth Minnesota - 2018 Budget

## Fire Department - Goals and Objectives

<p><b>Goal:</b> Improve risk management  <b>Objective:</b> Reduce firefighter injuries, prevent vehicle accidents, and reduce property loss.  <b>Strategy:</b> 1. Review all fire fighter and vehicle accidents, and near-misses.                  2. Make recommendations and implement strategies to improve safety.  <b>Measurements and Performance:</b></p> <p>Number of firefighter injuries</p>				
<b>2016 Actual</b> 25	<b>2017 Target</b> 20	<b>2017 Actual</b> 22	<b>2018 Target</b> 18	<b>2019 Target</b> 18
<p>Number of firefighters that receive an annual health review (CSS Fitness Assessment)</p>				
<b>2016 Estimate</b> 65	<b>2017 Target</b> 60	<b>2017 Actual</b> 31	<b>2018 Target</b> 75	<b>2019 Target</b> 75
<p>Number of Fire Department vehicle accidents/type/cause</p>				
<b>2016 Actual</b> 10	<b>2017 Target</b> 6	<b>2017 Actual</b> 13	<b>2018 Target</b> 6	<b>2019 Target</b> 6
<p>Number of workdays lost to injury</p>				
<b>2016 Actual</b> 230 (24-hour shifts)	<b>2017 Target</b> 150	<b>2017 Actual</b> 250	<b>2018 Target</b> 125	<b>2019 Target</b> 100
<p>Average age of frontline Fire Apparatus</p>				
<b>2016 Estimate</b> 11.5	<b>2017 Target</b> 6.7	<b>2017 Actual</b> 8.4	<b>2018 Target</b> 6.7	<b>2019 Target</b> 8
<p><b>Goal:</b> Strengthen the workforce  <b>Objective:</b> Recruit and retain a diverse workforce  <b>Strategy:</b> 1. Review procedures for fire fighter recruiting and testing to be used for future hiring  <b>Measurements and Performance:</b></p> <p>Percent of department diversity</p>				
<b>2016 Estimate</b> 15	<b>2017 Target</b> 18	<b>2017 Actual</b> 17	<b>2018 Target</b> 20	<b>2019 Target</b> 20

# City of Duluth Minnesota - 2018 Budget

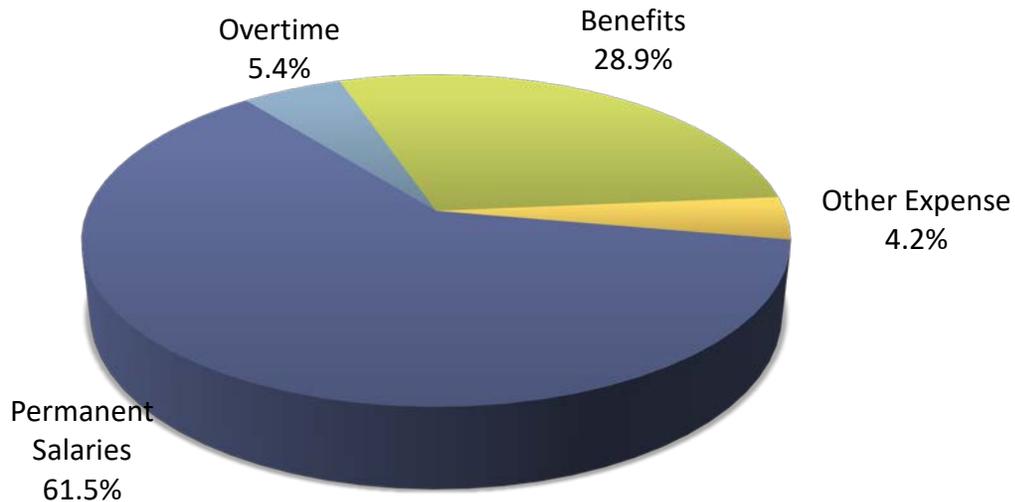
## Fire Department - Goals and Objectives Continued

<p><b>Goal:</b> Succession planning  <b>Objective:</b> Prepare employees for leadership positions  <b>Strategy:</b> Encourage officers to attend college courses until they complete a four-year fire-related degree.  <b>Measurements and Performance:</b></p> <p>Percent of active duty workforce who receive an annual performance review</p>				
<b>2016 Estimate</b>	<b>2017 Target</b>	<b>2017 Actual</b>	<b>2018 Target</b>	<b>2019 Target</b>
0	100	100	100	100

# City of Duluth Minnesota - 2018 Budget

## Fire Department

### 2018 Approved Budget by Expense Category



Expenditures by Category	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Permanent Salaries	9,678,543	10,119,759	10,357,200	10,569,500	212,300
Overtime	738,492	956,954	641,300	933,500	292,200
Other Wages	6,030	-	-	-	-
Total Personal Services	10,423,065	11,076,713	10,998,500	11,503,000	504,500
Benefits	4,323,545	4,371,919	4,364,200	4,957,600	593,400
Other Expense	660,819	647,882	715,600	715,600	-
Capital Outlay	-	-	-	-	-
<b>Department Total</b>	<b>15,407,429</b>	<b>16,096,514</b>	<b>16,078,300</b>	<b>17,176,200</b>	<b>1,097,900</b>

Expenditures by Division	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Fire Administration	400,386	405,348	494,000	505,800	11,800
Fire Operations	14,072,713	14,752,959	14,535,400	15,506,300	970,900
Life Safety	934,330	938,207	1,048,900	1,164,100	115,200
<b>Department Total</b>	<b>15,407,429</b>	<b>16,096,514</b>	<b>16,078,300</b>	<b>17,176,200</b>	<b>1,097,900</b>

Budgeted FTE's	2015	2016	2017	2018	Difference
	143.0	144.5	146.5	146.5	-

# City of Duluth Minnesota - 2018 Budget

## Fire Administration

The Fire Chief, Deputy Chief, Executive Assistant, and the Construction Services Information and Communication Specialist make up the administration division. The Fire Chief and the Deputy Fire Chief manage the department. This includes the creation and implementation of policies, budgets, long term planning, and emergency operations. The Fire Chief is the City of Duluth emergency manager and is responsible for all emergency functions and emergency preparedness.

Budgeted FTE's	2015	2016	2017	2018	Difference
1160 Fire Chief	1.0	1.0	1.0	1.0	-
1130 Deputy Fire Chief	1.0	1.0	1.0	1.0	-
231 Hazmat Grant Coordinator	-	1.0	-	-	-
132 Const Svcs Info & Comm Spec	-	0.5	0.5	0.5	-
131 Executive Assistant	1.0	1.0	1.0	1.0	-
<b>Division Total</b>	<b>3.0</b>	<b>4.5</b>	<b>3.5</b>	<b>3.5</b>	<b>0.0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	267,588	261,015	316,200	326,500	10,300
Overtime	159	1,063	-	-	-
Other Wages	-	-	-	-	-
<b>Total Salaries</b>	<b>267,747</b>	<b>262,078</b>	<b>316,200</b>	<b>326,500</b>	<b>10,300</b>
Benefits	79,316	87,079	118,800	120,300	1,500
Other Expense					
Materials & Supplies	18,554	18,993	20,100	20,100	-
Services	6,479	9,259	10,800	10,800	-
Utilities & Maintenance	3,474	3,356	4,000	4,000	-
Other	24,816	24,583	24,100	24,100	-
<b>Total Other Expense</b>	<b>53,323</b>	<b>56,191</b>	<b>59,000</b>	<b>59,000</b>	<b>-</b>
<b>Division Total</b>	<b>400,386</b>	<b>405,348</b>	<b>494,000</b>	<b>505,800</b>	<b>11,800</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Fire Administration - 110-150-1501</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	267,588	261,015	316,200	326,500
5101 Premium Pay	159	1,063	-	-
5103 Other Wages	-	-	-	-
TOTAL	267,747	262,078	316,200	326,500
EMPLOYEE BENEFITS				
5121 PERA Retirement	33,688	33,195	43,100	44,900
5122 FICA - Social Security	3,797	5,040	5,700	5,700
5123 FICA - Medicare	2,483	3,757	4,600	4,800
5125 Dental Insurance	961	1,039	1,300	1,300
5126 Life Insurance	465	452	600	600
5127 Health Care Savings Plan (HCSP)	6,371	7,624	3,700	3,900
5130 Cafeteria Plan Benefits	31,551	35,971	59,800	59,100
TOTAL	79,316	87,079	118,800	120,300
5200 Office Supplies	1,825	2,283	2,500	2,500
5202 Audiovisual & Photography	203	177	200	200
5210 Plant/Operating Supplies	2,030	1,794	2,000	2,000
5211 Cleaning/Janitorial Supplies	7,588	7,647	7,500	7,500
5219 Other Miscellaneous Supplies	3,034	2,760	3,000	3,000
5220 Repair & Maintenance Supplies	658	673	1,100	1,100
5228 Painting Supplies	649	575	700	700
5229 Ground Mtc Supplies	-	88	200	200
5240 Small Tools	405	446	400	400
5241 Small Equip-Office/Operating	2,162	2,552	2,500	2,500
5321 Phone Service	1,584	1,232	2,600	2,600
5322 Postage	171	437	500	500
5331 Travel/Training	2,475	4,693	5,000	5,000
5355 Printing & Copying	1,447	1,583	1,200	1,200
5356 Copier, Printer Lease & Supplies	802	1,314	1,500	1,500
5400 Misc Repair & Mtc Service	2,247	1,304	2,000	2,000
5401 Bldg/Structure Repair & Mtc	1,227	2,052	2,000	2,000
5433 Dues & Subscription	3,364	1,816	2,500	2,500
5440 Emergency Management	20,266	22,329	20,000	20,000
5441 Other Services & Charges	1,186	438	1,500	1,500
5443 Board & Meeting Expenses	-	-	100	100
TOTAL	53,323	56,191	59,000	59,000
<b>DIVISION TOTAL</b>	400,386	405,348	494,000	505,800

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Fire Administration - 110-150-1501</b>				
REVENUE SOURCE				
4232 State Insurance Premium	514,883	518,188	475,000	520,000
4340 Fire Protection Services	4,200	4,200	4,200	6,400
4341 Hydrant Maintenance Services	30,000	30,000	30,000	30,000
4644 Miscellaneous Sales	252	181	100	-
4654 Other Reimbursements	4,096	5,443	2,500	4,000
4730 Transfer from Special Revenue	46,806	69,269	30,000	20,000
4999 Fund Balance Reserves-Fire Department	-	-	-	730,500
<b>DIVISION TOTAL</b>	<b>600,237</b>	<b>627,282</b>	<b>541,800</b>	<b>1,310,900</b>

# City of Duluth Minnesota - 2018 Budget

## Fire Operations

Three Assistant Chiefs (one for each shift) manage this division and all emergencies including: fires, medical calls, hazardous materials response, rescues, and daily work duties for eight fire stations strategically located throughout the City. The training officer coordinates fire related drills, emergency medical training, training with outside agencies, compliance with State and Federal regulations, safety guidelines, and overall training of the department.

Budgeted FTE's	2015	2016	2017	2018	Difference
233 Assistant Chief	3.0	3.0	3.0	3.0	-
231 Training Officer	1.0	1.0	2.0	2.0	-
231 Technical Services Coord.	-	-	1.0	1.0	-
228 Captain	33.0	30.0	29.0	29.0	-
227 Equipment Operator	33.0	33.0	33.0	33.0	-
226 Firefighter	57.0	63.0	64.0	64.0	-
<b>Division Total</b>	<b>130.0</b>	<b>130.0</b>	<b>132.0</b>	<b>132.0</b>	<b>0.0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	8,819,357	9,249,621	9,352,000	9,497,000	145,000
Overtime	732,163	942,866	630,000	922,200	292,200
Other Wages	-	-	-	-	-
<b>Total Salaries</b>	<b>9,551,520</b>	<b>10,192,487</b>	<b>9,982,000</b>	<b>10,419,200</b>	<b>437,200</b>
Benefits	3,967,706	4,011,028	3,951,500	4,485,200	533,700
Other Expense					
Materials & Supplies	160,614	160,836	160,000	160,000	-
Services	42,651	30,549	47,800	47,800	-
Utilities & Maintenance	307,298	315,230	348,900	348,900	-
Other	42,924	42,829	45,200	45,200	-
<b>Total Other Expense</b>	<b>553,487</b>	<b>549,444</b>	<b>601,900</b>	<b>601,900</b>	<b>-</b>
<b>Division Total</b>	<b>14,072,713</b>	<b>14,752,959</b>	<b>14,535,400</b>	<b>15,506,300</b>	<b>970,900</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Fire Operations - 110-150-1502</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	8,819,357	9,249,621	9,352,000	9,497,000
5101 Premium Pay	732,163	942,866	630,000	922,200
5103 Other Wages	-	-	-	-
TOTAL	9,551,520	10,192,487	9,982,000	10,419,200
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,515,290	1,620,425	1,598,300	1,690,000
5122 FICA - Social Security	-	-	-	-
5123 FICA - Medicare	135,174	144,252	135,600	151,300
5125 Dental Insurance	48,329	48,823	48,500	49,100
5126 Life Insurance	22,830	21,182	23,500	23,800
5127 Health Care Savings Plan (HCSP)	307,365	332,867	128,200	172,000
5130 Cafeteria Plan Benefits	1,922,316	1,825,902	2,000,000	2,381,600
5133 Health or Fitness Program	16,402	17,577	17,400	17,400
TOTAL	3,967,706	4,011,028	3,951,500	4,485,200
OTHER EXPENDITURES				
5205 Safety & Training Materials	5,149	5,947	7,500	7,500
5210 Plant/Operating Supplies	2,291	3,082	3,500	3,500
5212 Motor Fuels	57,540	52,314	50,000	50,000
5218 Uniforms	10,664	13,498	10,000	10,000
5219 Other Miscellaneous Supplies	25,017	31,547	25,000	25,000
5220 Repair & Maintenance Supplies	1,824	1,302	3,000	3,000
5241 Small Equip-Office/Operating	58,129	53,145	61,000	61,000
5305 Medical Svcs/Testing Fees	4,682	3,848	5,000	5,000
5319 Other Professional Services	19,277	5,895	22,500	22,500
5320 Data Services	8,316	7,633	8,000	8,000
5321 Phone Service	6,603	6,250	7,000	7,000
5322 Postage	392	555	300	300
5384 Refuse Disposal	3,381	6,368	5,000	5,000
5409 Fleet Services Charges	307,298	315,230	348,900	348,900
5414 Software Lic/Mtc Agree	1,826	2,314	2,000	2,000
5441 Other Services & Charges	5,979	5,053	6,200	6,200
5446 Tuition Reimbursement	12,084	12,775	20,000	20,000
5450 Laundry	23,035	22,688	17,000	17,000
TOTAL	553,487	549,444	601,900	601,900
<b>DIVISION TOTAL</b>	14,072,713	14,752,959	14,535,400	15,506,300

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Fire Operations - 110-150-1502</b>				
REVENUE SOURCE				
4654 Other Reimbursements	-	13,472	-	-
4730 Transfer from Special Revenue	-	164,637	64,700	129,500
<b>DIVISION TOTAL</b>	-	178,109	64,700	129,500

# City of Duluth Minnesota - 2018 Budget

## Life Safety

Supervised by the Fire Marshal, this division is responsible for code enforcement, fire investigation, public education, prosecution, fire inspections, licensing, complaints, and waste compliance.

Budgeted FTE's	2015	2016	2017	2018	Difference
233 Fire Marshal	1.0	1.0	1.0	1.0	-
230 Deputy Fire Marshal	2.0	2.0	2.0	2.0	-
32 Lead Housing Inspector	1.0	1.0	1.0	1.0	-
29 Housing Inspector	3.0	3.0	4.0	4.0	-
28 Solid Waste Compliance	1.0	1.0	1.0	1.0	-
129 Admin Information Spec	1.0	2.0	2.0	2.0	-
126 Information Specialist	1.0	-	-	-	-
<b>Division Total</b>	<b>10.0</b>	<b>10.0</b>	<b>11.0</b>	<b>11.0</b>	<b>0.0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	591,598	609,123	689,000	746,000	57,000
Overtime	6,170	13,025	11,300	11,300	-
Other Wages	6,030	-	-	-	-
<b>Total Salaries</b>	<b>603,798</b>	<b>622,147</b>	<b>700,300</b>	<b>757,300</b>	<b>57,000</b>
Benefits	276,523	273,813	293,900	352,100	58,200
Other Expense					
Materials & Supplies	6,510	7,529	10,600	10,600	-
Services	20,344	23,245	29,000	29,000	-
Utilities & Maintenance	4,300	4,236	9,300	9,300	-
Other	22,855	7,237	5,800	5,800	-
<b>Total Other Expense</b>	<b>54,009</b>	<b>42,247</b>	<b>54,700</b>	<b>54,700</b>	<b>-</b>
<b>Division Total</b>	<b>934,330</b>	<b>938,207</b>	<b>1,048,900</b>	<b>1,164,100</b>	<b>115,200</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Life Safety - 110-150-1503</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	591,598	609,123	689,000	746,000
5101 Premium Pay	6,170	13,025	11,300	11,300
5103 Other Wages	6,030	-	-	-
TOTAL	603,798	622,147	700,300	757,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	63,941	65,063	76,000	81,500
5122 FICA - Social Security	23,318	24,209	26,100	29,400
5123 FICA - Medicare	8,352	8,835	10,200	11,000
5125 Dental Insurance	3,565	3,474	3,700	4,100
5126 Life Insurance	1,725	1,512	1,800	2,000
5127 Health Care Savings Plan (HCSP)	12,513	18,941	6,800	8,600
5130 Cafeteria Plan Benefits	162,419	150,976	169,300	215,500
5133 Health or Fitness Program	690	802	-	-
TOTAL	276,523	273,813	293,900	352,100
OTHER EXPENDITURES				
5200 Office Supplies	782	765	1,500	1,500
5202 Audiovisual & Photography	892	1,028	1,000	1,000
5205 Safety & Training Materials	-	837	1,000	1,000
5212 Motor Fuels	3,215	2,692	4,000	4,000
5219 Other Miscellaneous Supplies	812	1,778	1,500	1,500
5241 Small Equipment-Office Operating	809	430	1,600	1,600
5321 Phone Service	3,043	5,111	2,600	2,600
5331 Travel/Training	11,206	15,977	17,000	17,000
5335 Local Mileage Reimbursement	100	160	1,000	1,000
5355 Printing & Copying	2,218	1,515	3,000	3,000
5356 Copier, Printer Lease & Supplies	3,777	482	5,400	5,400
5400 Misc Repair & Mtc Service	-	295	300	300
5409 Fleet Services Charges	4,300	3,941	9,000	9,000
5433 Dues and Subscriptions	470	720	500	500
5435 Books & Pamphlets	3,384	3,286	2,500	2,500
5441 Other Services and Charges	18,810	3,100	2,500	2,500
5443 Board & Meeting Expenses	191	130	300	300
TOTAL	54,009	42,247	54,700	54,700
<b>DIVISION TOTAL</b>	<b>934,330</b>	<b>938,207</b>	<b>1,048,900</b>	<b>1,164,100</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Life Safety - 110-150-1503</b>				
REVENUE SOURCE				
4153 Multiple Dwelling License	878,248	855,008	633,800	883,300
4154 Commercial Use/Occupancy Permit	95,869	111,665	90,000	95,000
4306 Building Appeals Fees	120	120	-	-
4360 Vacant Building Fee	11,900	3,000	-	-
4644 Misc Fees, Sales, Service	22	6,501	5,000	5,000
4660 Gifts and Donations	3,690	2,254	-	-
<b>DIVISION TOTAL</b>	<b>989,849</b>	<b>978,549</b>	<b>728,800</b>	<b>983,300</b>

# City of Duluth Minnesota – 2018 Budget

## Police Department

### Mission

To provide a safe Duluth for all by strengthening relationships and serving in a respectful, caring, and selfless manner.

### Values

Fair

Accountable

Caring

Transparent

### Core Beliefs

- We recognize that our authority comes from our social contract with the community.
- People will believe that we are there to serve them if we are kind, caring, and compassionate, and our actions match our words.
- People will trust us if they believe we are protecting their rights.
- Every interaction leaves a lasting impression.
- The safety of both our community and officers are paramount.

### Structure

The department consists of approximately 158 sworn police officers and a support staff of over 50 full, part-time and seasonal employees. Crime prevention, detection and investigation are the primary duties of the department. The department is divided into two divisions, each managed by a Deputy Chief.

The **Investigative/Administrative Division** contains all investigative units and administrative functions. There are currently four lieutenants assigned to this division, which consists of the following units:

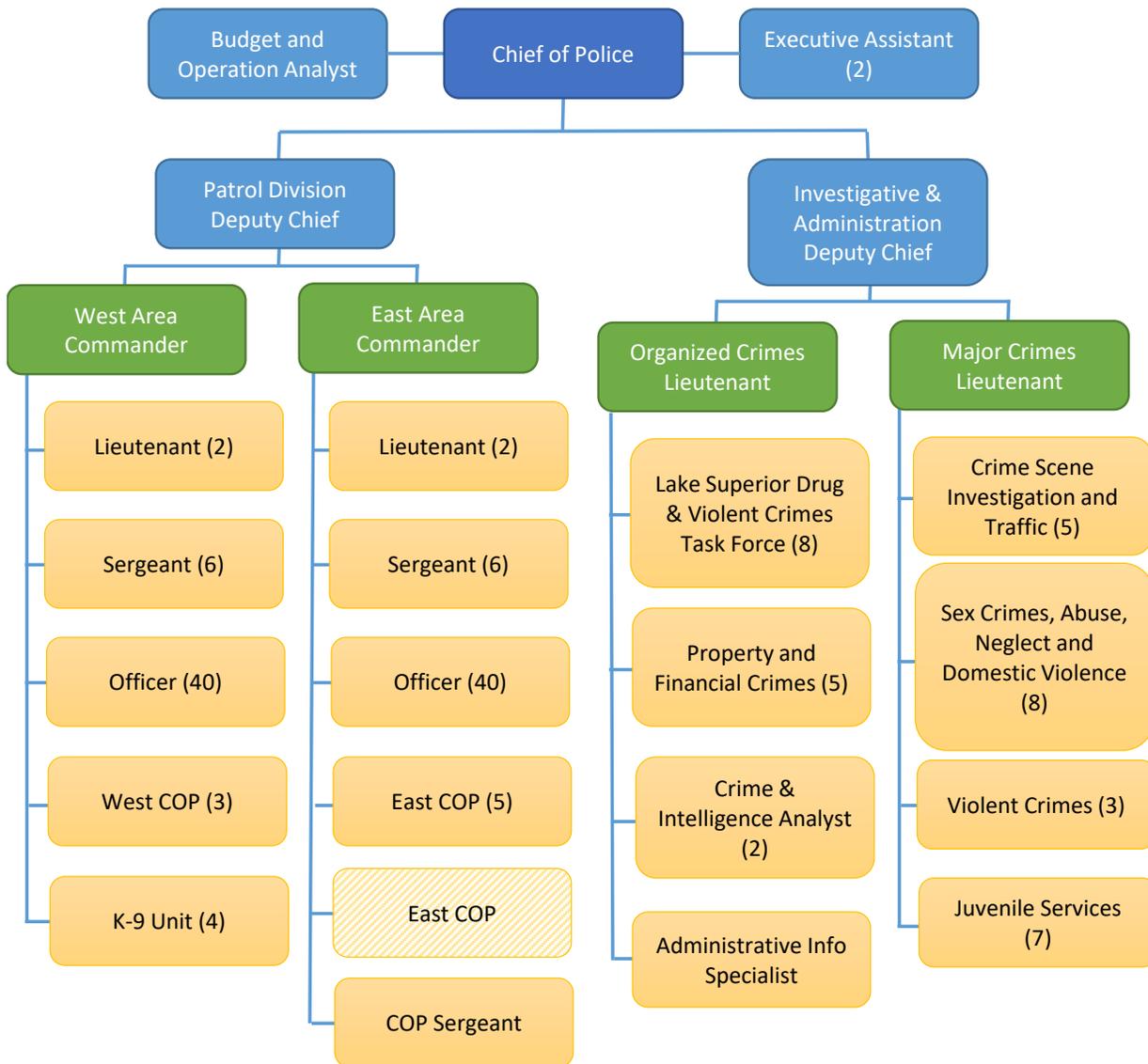
-Crime Scene Investigation	-Lake Superior Drug & Gang Task Force	-Records Support
-Violent Crimes	-Personnel, Training & Licensing	-Forensic Computer Examiner
-Property/Financial Crimes	-Juvenile Services/School Resource	-Internal Investigations
-Crash Investigations	-Sex Crimes, Abuse, Domestic Violence	-Fleet, IT, Facilities, Grants

The **Patrol Division** is divided into two geographic patrol areas. Each area is under the command of a lieutenant. The Patrol Division consists of the following units: Patrol, Tactical Response Team, Community Policing, Bike Patrol Unit, and Canine Unit.

# City of Duluth Minnesota - 2018 Budget

## Police Department

### Organization Chart

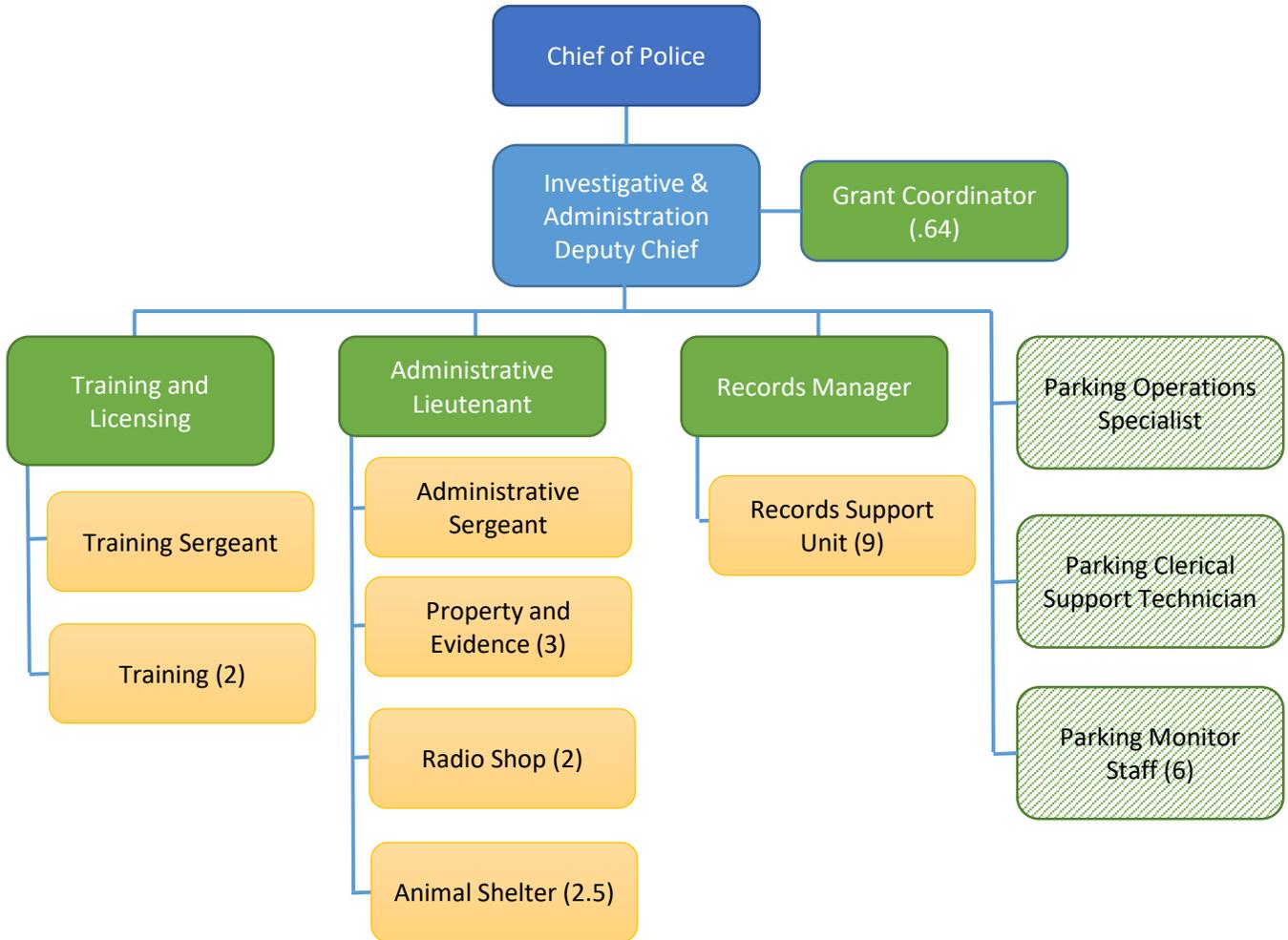


**KEY**  
 Solid = General Fund  
 Patterned = Non-General Fund

# City of Duluth Minnesota - 2018 Budget

## Police Department

### Organization Chart - Continued



**KEY**  
Solid = General Fund  
Patterned = Non-General Fund

# City of Duluth Minnesota - 2018 Budget

## Police Department - Goals and Objectives

<p><b>Goal:</b> Strengthen Organization Effectiveness and Efficiency</p> <p><b>Objective:</b> Get to no more than 60% obligated time for patrol officers. Jobs redesigned for maximum efficiency. Target workloads balance commensurate with staffing and demand.</p> <p><b>Strategy:</b> 1. Implement a new records management system 2. Complete an assessment of work-flow &amp; organizational design 3. Develop SOP's 4. Conduct cross-training for civilian staff 5. Improve online reporting platform</p> <p><b>Measurements and Performance:</b> Percentage of records management system implemented</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
0%	50%	10%	70%	100%
Percentage of new staffing model implemented for patrol and investigations				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
n/a	25%	25%	100%	0
Percentage of improvement of cases referred for prosecution				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
n/a	5%	5%	5%	5%
Percentage of cross-training completed for civilian staff based on job classifications				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
n/a	50%	10%	50%	100%

# City of Duluth Minnesota - 2018 Budget

## Police Department - Goals and Objectives Continued

<p><b>Goal:</b> Strengthen Trust within the Community and the Department</p> <p><b>Objective:</b> Entire department engaged in developing relationships and problem-solving with the community. Year over year improvement in results due to communications process improvements.</p> <p><b>Strategy:</b> 1. Cascade planning down into each unit of the department 2. Help all staff determine how to build and maintain relationships within the community that they impact 3. Audit and improve the community engagement calendar and problem-tracking spreadsheet. Set standards as needed for community participation 4. Restructure how we meet and communicate as an organization 5. Outreach by Chiefs to community and staff</p> <p><b>Measurements and Performance:</b></p> <p>Number of staff reviews for personal plan for how to build relationships with community</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
n/a	182.5 staff	100%	100%	100%
<p>Community engagement calendar reflects what both community and police see as valuable</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
n/a	100%	100%	100%	100%
<p>Percentage of system in place for intentional up/down communication and communication for learning</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
n/a	100%	50%	50%	100%

# City of Duluth Minnesota - 2018 Budget

## Police Department - Goals and Objectives Continued

<p><b>Goal:</b> Commit to Professional Development and Employee Wellness</p> <p><b>Objective:</b> 100% of employees have a current evaluation on file on an annual basis with a development plan. 100% of employees have received training from community-based organizations. Implement four new employee-driven stress reduction opportunities. Morale is improved over baseline measurement of 2016 City of Duluth <i>Employee Satisfaction and Wellbeing Survey</i>.</p> <p><b>Strategy:</b> 1. Implement environment "fixes" to improve wellness 2. Develop and implement employee development plan/instrument 3. Identify training needs and opportunities for each staff 4. Identify organizational and community-based training opportunities and make plans as needed</p> <p><b>Measurements and Performance:</b></p> <p>Development and implementation of a new employee development plan/instrument</p>				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 100%	<b>2017 Actual</b> 100%	<b>2018 Target</b> 100%	<b>2019 Target</b> 100%
Percentage of employees have a new and current evaluation on file				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 100%	<b>2017 Actual</b> 100%	<b>2018 Target</b> 100%	<b>2019 Target</b> 100%
Community-based training opportunities identified and offered to all employees				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 100%	<b>2017 Actual</b> 100%	<b>2018 Target</b> 100%	<b>2019 Target</b> 100%

# City of Duluth Minnesota - 2018 Budget

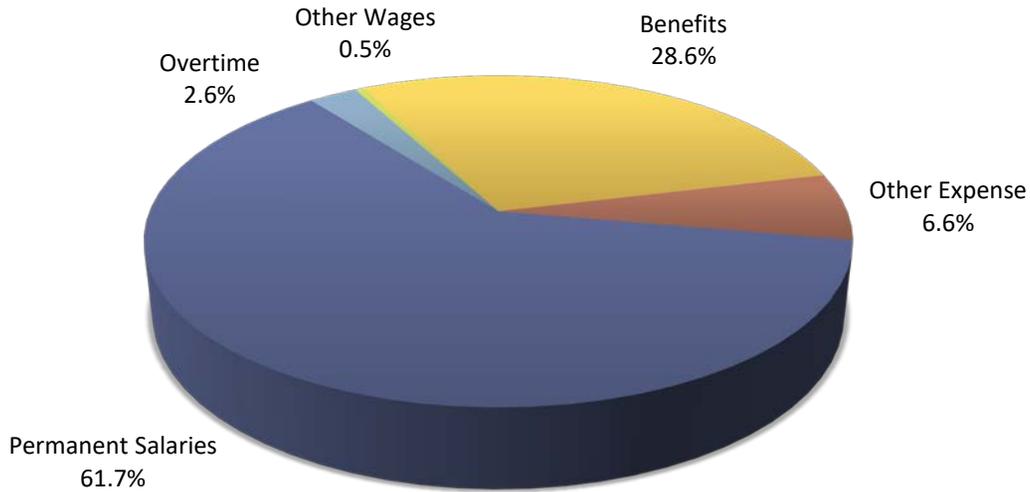
## Police Department - Goals and Objectives Continued

<p><b>Goal:</b> Commit to an Inclusive Work Environment and Leadership</p> <p><b>Objective:</b> Promote a more inclusive organizational culture. Standards and mentorships to support performance. Increased diversity in hiring and leadership.</p> <p><b>Strategy:</b> 1. Complete assessment to find out why few people apply for promotions 2. Conduct implicit bias training 3. Conduct cultural competency training 4. Network with local colleges and educational systems within the area and mentor potential applicants 5. Develop exit interview program (which includes 12-18 month follow-up)</p> <p><b>Measurements and Performance:</b></p> <p>Increase the number of sworn promotional applicants</p>				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 10%	<b>2017 Actual</b> 10%	<b>2018 Target</b> 10%	<b>2019 Target</b> 10%
<p>Develop awareness of self and impact on others (pre and post personal assessments from training)</p>				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 100%	<b>2017 Actual</b> 100%	<b>2018 Target</b> 100%	<b>2019 Target</b> 100%
<p>Develop mentorship program for recruitment and retention</p>				
<b>2016 Estimate</b> n/a	<b>2017 Target</b> 25%	<b>2017 Actual</b> 25%	<b>2018 Target</b> 25%	<b>2019 Target</b> 25%

# City of Duluth Minnesota - 2018 Budget

## Police Department

### 2018 Approved Budget by Expense Category



Expenditures by Category	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Permanent Salaries	12,452,120	12,868,291	13,236,200	13,517,000	280,800
Overtime	741,158	880,996	575,000	575,000	-
Other Wages	115,929	114,081	122,700	107,300	(15,400)
Total Personal Services	13,309,207	13,863,368	13,933,900	14,199,300	265,400
Benefits	5,319,799	5,537,846	5,597,300	6,269,400	672,100
Other Expense	1,534,629	1,403,886	1,459,700	1,434,700	(25,000)
<b>Department Total</b>	<b>20,163,635</b>	<b>20,805,100</b>	<b>20,990,900</b>	<b>21,903,400</b>	<b>912,500</b>

Budgeted FTE's	2015	2016	2017	2018	Difference
	178.5	180.5	184.1	182.1	(2.0)

# City of Duluth Minnesota - 2018 Budget

## Police Department

The Police department consists of two divisions: the Investigative/Administrative division and the Patrol division. The Investigative/Administrative division is responsible for administrative functions of the department including training and development, clerical and records support, fleet, technology and facilities management. In addition, the division is responsible for investigating crime in the areas of violent crime, financial property crimes, family crimes, crime scene investigation, and drug and gang related activities.

The Patrol division is responsible for all functions related to police work including crime and traffic control, tactical response, canine and waterfront patrol, special events, street crimes, community neighborhood policing, and parking enforcement.

Budgeted FTE's	2015	2016	2017	2018	Difference
Chief of Police	1.0	1.0	1.0	1.0	-
1130 Deputy Chief	2.0	2.0	2.0	2.0	-
1110 Lieutenant	10.0	10.0	10.0	10.0	-
1090 Police Records & Tech Mgr	1.0	1.0	1.0	1.0	-
328 Sergeant	21.0	21.0	22.0	22.0	-
327 Police Investigator	53.0	53.0	53.0	53.0	-
326 Police Officer	65.0	67.0	68.0	68.0	-
133 Budget Analyst	1.0	1.0	1.0	1.0	-
133 Sr Police Records Tech	2.0	1.0	1.0	1.0	-
131 Grant Coordinator	1.0	1.0	0.6	0.6	-
131 Criminal Intell Analyst	2.0	2.0	2.0	2.0	-
131 Executive Assistant	-	2.0	2.0	2.0	-
129 Admin Info Specialist	1.0	1.0	1.0	1.0	-
128 Police Records Tech II	5.0	7.0	7.0	7.0	-
126 Information Technician	3.0	1.0	1.0	1.0	-
124 Police Records Tech I	3.0	2.0	3.0	2.0	(1.0)
33 Elec Tech Leadworker	1.0	1.0	1.0	1.0	-
31 Electronics Technician	1.0	1.0	1.0	1.0	-
30 Animal Shelter Leadwrkr	1.0	1.0	1.0	1.0	-
29 Property & Evidence Spec	-	1.0	1.0	1.0	-
27 Animal Control Officer	-	1.0	1.0	1.0	-
24 Evidence Technician	3.0	2.0	3.0	2.0	(1.0)
21 Animal Services Tech	1.5	0.5	0.5	0.5	-
<b>Department Total</b>	<b>178.5</b>	<b>180.5</b>	<b>184.1</b>	<b>182.1</b>	<b>(2.0)</b>

# City of Duluth Minnesota - 2018 Budget

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	12,452,120	12,868,291	13,236,200	13,517,000	280,800
Overtime	741,158	880,996	575,000	575,000	-
Other Wages	115,929	114,081	122,700	107,300	(15,400)
Total Salaries	13,309,207	13,863,368	13,933,900	14,199,300	265,400
Benefits	5,319,799	5,537,846	5,597,300	6,269,400	672,100
Other Expense					
Materials & Supplies	355,300	357,139	370,800	368,600	(2,200)
Services	126,936	128,999	133,500	134,500	1,000
Utilities & Maintenance	308,782	312,885	364,800	364,800	-
Other	743,611	604,862	590,600	566,800	(23,800)
Total Other Expense	1,534,629	1,403,886	1,459,700	1,434,700	(25,000)
Department Total	<b>20,163,635</b>	<b>20,805,100</b>	<b>20,990,900</b>	<b>21,903,400</b>	<b>912,500</b>

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Police Department</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	12,452,120	12,868,291	13,236,200	13,517,000
5101 Premium Pay	741,158	880,996	575,000	575,000
5103 Other Wages	115,929	113,531	122,700	107,300
5111 Long-Term Disability Wages	-	550	-	-
TOTAL	13,309,207	13,863,368	13,933,900	14,199,300
EMPLOYEE BENEFITS				
5121 PERA Retirement	1,979,657	2,053,309	2,104,300	2,164,500
5122 FICA - Social Security	94,891	92,544	95,700	89,000
5123 FICA - Medicare	186,058	194,553	202,000	206,100
5125 Dental Insurance	65,085	66,782	67,200	67,000
5126 Life Insurance	31,493	29,096	32,600	32,400
5127 Health Care Savings Plan (HCSP)	359,870	524,038	245,000	371,000
5130 Cafeteria Plan Benefits	2,601,912	2,576,785	2,849,300	3,338,200
5133 Health or Fitness Program	833	738	1,200	1,200
TOTAL	5,319,799	5,537,846	5,597,300	6,269,400

# City of Duluth Minnesota - 2018 Budget

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>OTHER EXPENDITURES</b>				
5200 Office Supplies	22,339	17,839	24,000	24,000
5201 Computer Supplies/Software	1,514	2,327	2,000	2,000
5202 Audiovisual & Photography	643	543	2,000	1,000
5205 Safety & Training Materials	1,027	1,219	1,500	1,500
5211 Cleaning/Janitorial Supplies	12,660	13,747	15,500	15,500
5212 Motor Fuels	196,983	182,988	207,000	207,000
5214 Food for Animals	2,385	1,319	4,000	4,000
5217 Ammunition	36,204	33,640	40,000	40,000
5218 Uniforms	44,870	77,168	39,100	39,100
5219 Other Miscellaneous Supplies	21,771	16,190	21,200	21,000
5220 Repair & Maintenance Supplies	12,349	7,927	9,000	9,000
5241 Small Equip-Office/Operating	2,555	2,233	5,500	4,500
5305 Medical Svcs/Testing Fees	358	625	1,000	1,000
5319 Other Professional Services	19,986	30,853	30,000	30,000
5320 Data Services	2,999	2,413	4,500	4,500
5321 Phone Service	83,341	81,209	79,000	79,000
5322 Postage	3,018	1,490	1,000	2,000
5331 Travel/Training	9,982	4,177	5,000	5,000
5355 Printing & Copying	1,285	3,220	3,000	3,000
5356 Copier, Printer Lease & Supplies	2,862	2,478	4,000	4,000
5384 Refuse Disposal	3,105	2,533	6,000	6,000
5401 Bldg/Structure Repair & Mtc	500	1,806	11,700	11,700
5404 Equipment/Machinery Repair & Mtc	4,950	-	-	-
5409 Fleet Services Charges	303,332	311,079	353,100	353,100
5411 Land Rental/Easements	1,000	1,000	1,000	1,000
5414 Software Licenses & Mtce Agreements	186,571	208,574	201,900	201,900
5433 Dues & Subscription	5,210	2,817	4,000	4,000
5435 Books & Pamphlets	76	1,073	-	1,000
5437 Automated Pawn System	28,545	24,531	22,500	22,500
5438 Licenses	5,490	4,686	5,500	5,500
5441 Other Services & Charges	104,356	17,123	34,000	34,000
5443 Board & Meeting Expenses	927	997	800	1,000
5448 Police Training	84,853	87,187	90,000	65,000
5460 Law Enforcement Center Expenses	324,083	254,375	228,400	228,400
5490 Donations to Civic Organizations	2,500	2,500	2,500	2,500
<b>TOTAL</b>	<b>1,534,629</b>	<b>1,403,886</b>	<b>1,459,700</b>	<b>1,434,700</b>
<b>DEPARTMENT TOTAL</b>	<b>20,163,635</b>	<b>20,805,100</b>	<b>20,990,900</b>	<b>21,903,400</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Police Department</b>				
REVENUE SOURCE				
4209 Federal Grant	27,849	70,562	-	-
4210 Pass-thru Federal Grant	96,407	55,379	-	-
4220 State of Minnesota	12,546	17,929	-	-
4227 Police Training Reimbursement	47,312	45,649	50,000	50,000
4232 State Insurance Premium	1,387,048	1,432,228	1,300,000	1,300,000
4260 St. Louis County	20,935	-	-	-
4261 ISD 709	217,731	222,085	228,400	228,400
4322 Animal Shelter Fees	19,078	12,069	20,000	12,000
4325 Radio Services	6,500	-	-	-
4326 Criminal History Checks	280	376	500	400
4328 Pawnbroker Transaction Surcharge	60,008	51,634	65,000	50,000
4329 False Alarm Fees & Penalties	15,210	26,882	19,600	19,600
4631 Media Sales	1,724	963	2,500	1,500
4644 Misc Fees, Sales, & Services	60	-	-	-
4650 Salaries Reimbursement	44,802	20,867	20,000	20,000
4651 Extra Duty Employment Reimbursement	6,055	-	-	-
4654 Other Reimbursements	13,522	19,905	7,000	15,000
4660 Gifts and Donations	34,585	2,395	-	-
4730 Transfer from Tourism Taxes	308,672	307,100	307,100	307,100
4730 Transfer from Police Grant Fund	480,002	725,677	644,400	558,500
4730 Transfer from Police Grant Fund - OT	206,991	194,507	130,000	130,000
<b>DEPARTMENT TOTAL</b>	<b>3,007,317</b>	<b>3,206,208</b>	<b>2,794,500</b>	<b>2,692,500</b>

# City of Duluth Minnesota - 2018 Budget

## Public Works & Utilities Department – General Fund

### Mission and Vision

The mission of the Public Works and Utilities Department is to provide professional engineering services, street maintenance activities, and water, natural gas, sanitary sewer, storm water, and street lighting utilities to Duluth's businesses and residents in a safe, cost-effective and environmentally sound manner.

The Department's vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians.

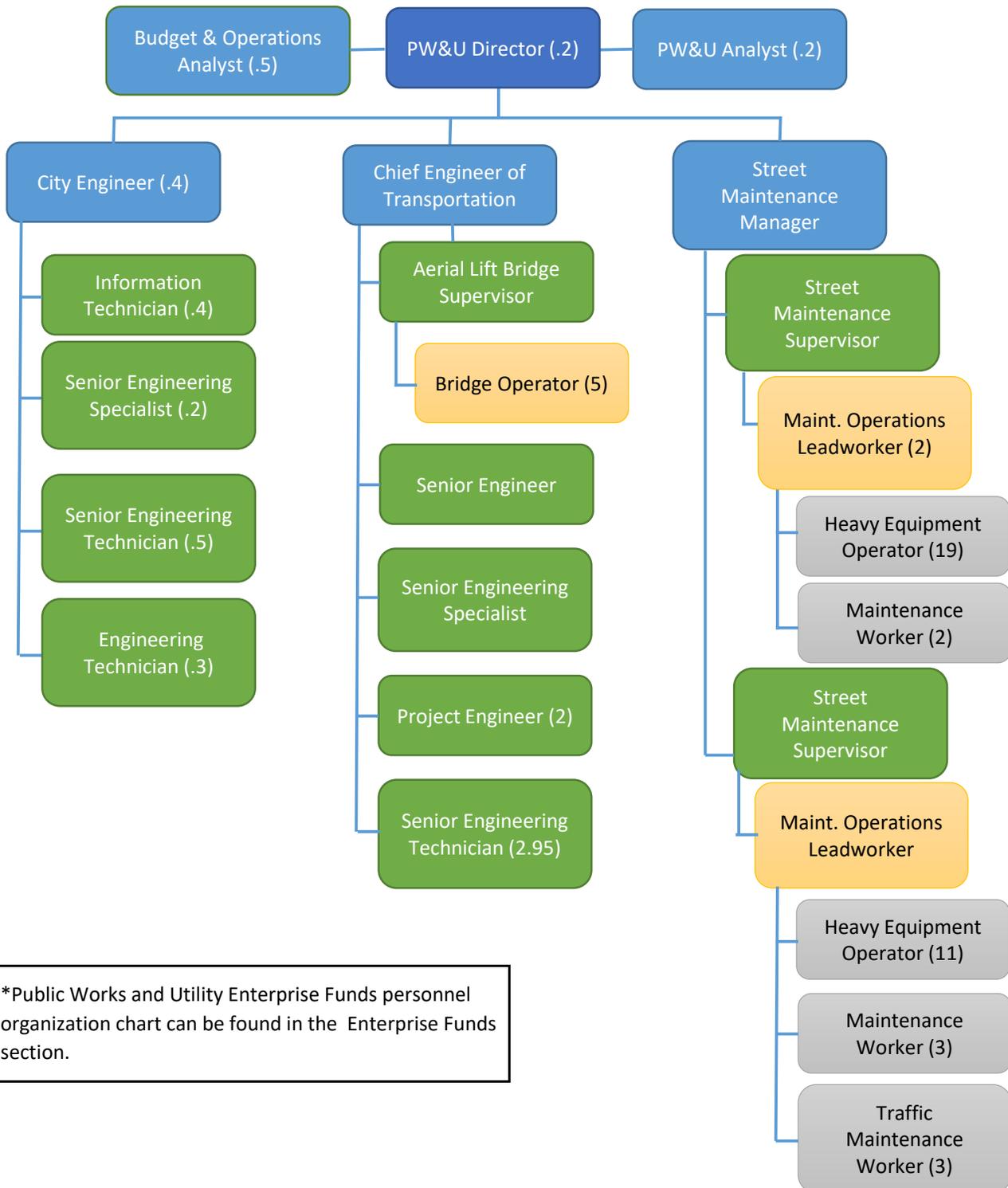
### Structure

The General Fund portion of the Public Works and Utilities Department is divided between two Divisions; Street Maintenance and Transportation Engineering. Transportation Engineering also has oversight of the Moveable Bridges workgroup.

# City of Duluth Minnesota - 2018 Budget

## Public Works & Utilities

### Organization Chart



\*Public Works and Utility Enterprise Funds personnel organization chart can be found in the Enterprise Funds section.

# City of Duluth Minnesota - 2018 Budget

## Public Works Department - Goals and Objectives

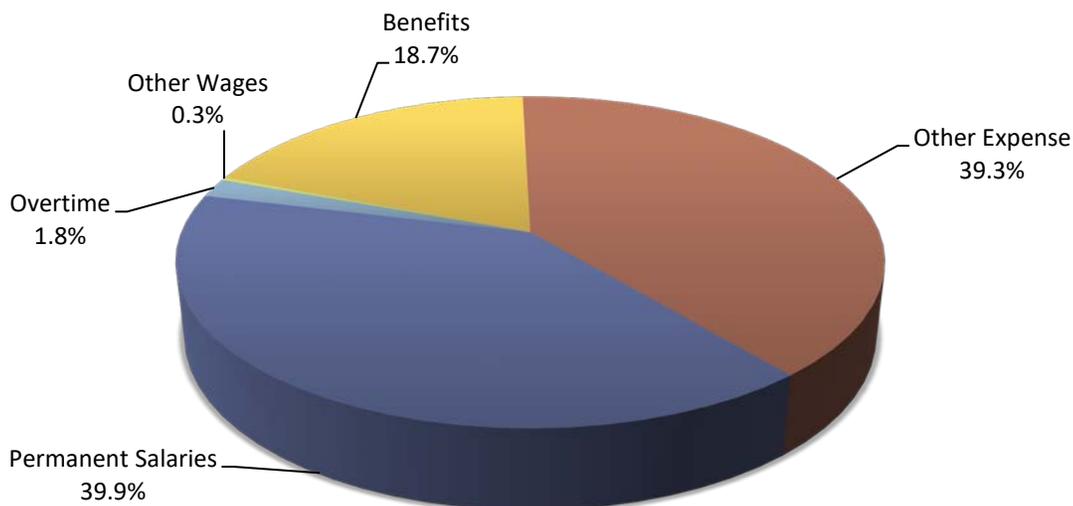
### Street Maintenance

<p><b>Goal:</b> Prolong the life of aging road systems.</p> <p><b>Objective:</b> Utilize street maintenance fund to maximize impact on road conditions.</p> <p><b>Strategy:</b> 1. Establish maintenance and repair targets.                  2. Improve the recruitment, training, and retention of seasonal employees.                  3. Provide street maintenance services that will hold streets together until long-term solution is implemented.</p> <p><b>Measurements and Performance:</b></p> <p>Miles of crack sealing completed</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
42	50	0	30	50
<p>Miles of paving completed</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
7	9	6	4	4
<p>Number of permanent patches completed</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
148	180	265	250	250
<p>Number of returning temporary &amp; seasonal employees</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
38	38	34	41	41
<p>Miles of mastic completed</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
9	9	6	9	9
<p>Street Sweeping miles completed</p>				
2016 Estimate	2017 Target	2017 Actual	2018 Target	2019 Target
1540	1500	2061	2000	2000

# City of Duluth Minnesota - 2018 Budget

## Public Works & Utilities - General Operations

### 2018 Approved Budget by Expense Category



Expenditures by Category	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Permanent Salaries	3,053,341	3,587,262	3,767,400	3,765,200	(2,200)
Overtime	180,732	277,181	173,000	173,000	-
Other Wages	50,198	66,814	91,800	25,100	-
Total Personal Services	3,284,271	3,931,257	4,032,200	3,963,300	(68,900)
Benefits	1,412,283	1,518,329	1,625,800	1,762,200	136,400
Other Expense	3,673,508	3,721,011	3,833,100	3,706,400	(126,700)
<b>Department Total</b>	<b>8,370,062</b>	<b>9,170,597</b>	<b>9,491,100</b>	<b>9,431,900</b>	<b>(59,200)</b>

Expenditures by Division	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Director's Office	52,642	52,132	54,200	53,900	(300)
Street Maintenance	6,677,006	7,401,317	7,609,200	7,523,600	(85,600)
Engineering	1,640,414	1,717,149	1,827,700	1,854,400	26,700
<b>Department Total</b>	<b>8,370,062</b>	<b>9,170,597</b>	<b>9,491,100</b>	<b>9,431,900</b>	<b>(59,200)</b>

Budgeted FTE's	2015	2016	2017	2018	Difference
	61.5	61.7	62.2	60.7	(1.5)

# City of Duluth Minnesota - 2018 Budget

## Director's Office

The Director's Office provides leadership and management for the Public Works and Utilities Department. This division represents the cost of this function in the General Fund.

Budgeted FTE's	2015	2016	2017	2018	Difference
Director	0.2	0.2	0.2	0.2	-
33 PW&U Analyst	0.2	0.2	0.2	0.2	-
<b>Division Total</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	41,008	41,942	42,700	42,100	(600)
Overtime	427	380	-	-	-
Other Wages	-	-	-	-	-
<b>Total Salaries</b>	<b>41,435</b>	<b>42,323</b>	<b>42,700</b>	<b>42,100</b>	<b>(600)</b>
Benefits	10,823	9,358	10,700	11,000	300
Other Expense					
Materials & Supplies	78	58	200	200	-
Services	306	393	500	400	-
Utilities & Maintenance	-	-	-	-	-
Other	-	-	100	200	-
<b>Total Other Expense</b>	<b>384</b>	<b>451</b>	<b>800</b>	<b>800</b>	
<b>Division Total</b>	<b>52,642</b>	<b>52,132</b>	<b>54,200</b>	<b>53,900</b>	<b>(300)</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Public Works Director - 110-500-1900</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	41,008	41,942	42,700	42,100
5101 Premium Pay	427	380	-	-
5103 Other Wages	-	-	-	-
TOTAL	41,435	42,323	42,700	42,100
EMPLOYEE BENEFITS				
5121 PERA Retirement	2,971	3,065	2,800	3,200
5122 FICA - Social Security	2,353	2,425	2,600	2,600
5123 FICA - Medicare	599	614	600	600
5125 Dental Insurance	148	149	200	100
5126 Life Insurance	72	65	100	100
5127 Health Care Savings Plan (HCSP)	1,334	1,380	900	1,000
5130 Cafeteria Plan Benefits	3,346	1,660	3,500	3,400
TOTAL	10,823	9,358	10,700	11,000
OTHER EXPENDITURES				
5200 Office Supplies	78	58	100	100
5241 Small Equip-Office/Operating	-	-	100	100
5321 Phone Service	120	120	100	100
5331 Travel/Training	-	-	200	100
5335 Local Mileage Reimbursement	186	273	200	200
5433 Dues & Subscription	-	-	100	200
TOTAL	384	451	800	800
<b>DIVISION TOTAL</b>	<b>52,642</b>	<b>52,132</b>	<b>54,200</b>	<b>53,900</b>

# City of Duluth Minnesota - 2018 Budget

## Street Maintenance

Repairing City streets is a top priority for the City of Duluth. The street maintenance division is responsible for maintaining over 400 miles of City streets. In the summer, they construct permanent patches, crack seal, pothole patch, pave streets, and paint various markings on streets. Winter operations consist of plowing, ice cutting, sign repair, and parking meter revenue collection.

Budgeted FTE's	2015	2016	2017	2018	Difference
27 Traffic Maintenance Wkr	3.0	3.0	3.0	3.0	-
32 Maintenance Ops Lead	0.3	3.0	3.0	3.0	-
133 Budget & Ops Analyst	0.5	0.5	0.5	0.5	-
1115 Maintenance Ops Mgr	0.3	0.5	1.0	1.0	-
22 Maintenance Worker	8.0	8.0	6.0	5.0	(1.0)
27 Heavy Equip Operator	30.0	28.0	30.0	30.0	-
1085 Street Maintenance Spvs	3.0	2.0	2.0	2.0	-
<b>Division Total</b>	<b>45.0</b>	<b>45.0</b>	<b>45.5</b>	<b>44.5</b>	<b>(1.0)</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	1,997,065	2,481,872	2,580,200	2,570,300	(9,900)
Overtime	93,075	194,184	117,000	117,000	-
Other Wages	45,217	34,728	66,700	-	(66,700)
<b>Total Salaries</b>	<b>2,135,357</b>	<b>2,710,784</b>	<b>2,763,900</b>	<b>2,687,300</b>	<b>(76,600)</b>
Benefits	977,684	1,081,676	1,163,000	1,280,700	117,700
Other Expense					
Materials & Supplies	1,715,025	1,850,776	1,644,300	1,704,050	59,750
Services	35,867	27,294	40,500	40,000	(500)
Utilities & Maintenance	1,122,240	1,045,184	1,346,000	1,346,000	-
Other	690,833	685,603	651,500	465,550	(185,950)
<b>Total Other Expense</b>	<b>3,563,965</b>	<b>3,608,857</b>	<b>3,682,300</b>	<b>3,555,600</b>	<b>(126,700)</b>
<b>Division Total</b>	<b>6,677,006</b>	<b>7,401,317</b>	<b>7,609,200</b>	<b>7,523,600</b>	<b>(85,600)</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Street Maintenance - 110-500-1920</b>					
PERSONAL SERVICES					
5100	Permanent Salaries	1,997,065	2,481,872	2,580,200	2,570,300
5101	Premium Pay	93,075	194,184	117,000	117,000
5103	Other Wages	45,217	26,088	56,700	-
5118	Meal Allowance	-	8,640	10,000	10,000
	<b>TOTAL</b>	<b>2,135,357</b>	<b>2,710,784</b>	<b>2,763,900</b>	<b>2,697,300</b>
EMPLOYEE BENEFITS					
5121	PERA Retirement	155,643	193,741	197,600	201,600
5122	FICA - Social Security	129,887	165,515	171,300	167,200
5123	FICA - Medicare	30,377	38,709	40,100	39,100
5125	Dental Insurance	14,415	16,896	16,900	16,600
5126	Life Insurance	6,964	7,358	8,200	8,000
5127	Health Care Savings Plan (HCSP)	55,313	53,112	60,800	49,800
5130	Cafeteria Plan Benefits	585,085	606,345	668,100	788,400
	<b>TOTAL</b>	<b>977,684</b>	<b>1,081,676</b>	<b>1,163,000</b>	<b>1,270,700</b>
OTHER EXPENDITURES					
5200	Office Supplies	2,210	745	2,000	1,500
5201	Computer Supplies/Software	2,875	7	2,000	10,000
5205	Safety & Training Materials	3,295	5,125	3,300	9,500
5210	Plant/Operating Supplies	4,277	3,251	3,000	17,000
5211	Cleaning/Janitorial Supplies	4,608	4,124	5,000	5,000
5212	Motor Fuels	195,924	219,314	250,000	250,000
5215	Shop Materials	-	-	-	1,600
5218	Uniforms	9,083	11,960	12,000	15,600
5219	Other Miscellaneous Supplies	30,503	24,173	17,600	17,600
5220	Repair & Maintenance Supplies	6,236	5,002	5,000	10,000
5222	Blacktop	526,726	257,755	194,700	192,100
5223	Salt & Sand	799,635	1,124,295	896,700	902,700
5224	Gravel & Other Misc Materials	92,561	90,643	123,700	145,350
5226	Sign & Signal Materials	19,828	23,267	53,900	54,000
5228	Painting Supplies	-	69,609	70,000	65,100
5240	Small Tools	10,323	5,076	4,400	5,000
5241	Small Equip-Office/Operating	6,941	6,430	1,000	2,000
5320	Data Services	1,921	2,198	1,800	3,400
5321	Phone Service	1,716	2,185	2,200	2,600
5331	Travel/Training	2,843	1,619	5,500	5,000

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Street Maintenance - 110-500-1920 continued</b>				
5335 Local Mileage Reimbursement	20,182	15,652	24,000	18,000
5356 Copier, Printer Lease & Supplies	2,320	143	1,000	600
5384 Refuse Disposal	6,885	5,495	6,000	10,400
5409 Fleet Services Charges	1,122,240	1,045,184	1,346,000	1,346,000
5412 Building Rental	241,227	191,252	210,000	41,000
5414 Software Licenses & Mtce Agreements	34,555	41,261	43,300	36,500
5415 Vehicle/Equip Rent (Short Term)	63,051	68,559	24,000	28,300
5418 Vehicle/Equip Rent (Long Term)	346,258	350,892	352,000	352,000
5419 Other Rentals	1,360	1,208	2,000	-
5435 Books & Pamphlets	155	25	-	-
5441 Other Services & Charges	4,227	14,783	20,200	7,750
5580 Capital Equipment	-	17,623	-	-
<b>TOTAL</b>	<b>3,563,965</b>	<b>3,608,857</b>	<b>3,682,300</b>	<b>3,555,600</b>
<b>DIVISION TOTAL</b>	<b>6,677,006</b>	<b>7,401,317</b>	<b>7,609,200</b>	<b>7,523,600</b>
<b>REVENUE SOURCE</b>				
4240 Municipal State Aid	1,533,400	1,533,400	1,533,400	1,533,400
4260 St Louis County	143,500	143,500	143,500	143,500
4261 ISD 709	15,560	29,856	15,000	20,000
4500 Assessments	-	-	-	5,000
4636 Sale of Materials	3,484	6,097	6,000	6,000
4654 Other Reimbursements	28,646	36,616	25,000	26,000
4730 Transfer from Tourism Taxes	300,000	300,000	300,000	300,000
4730 Transfer from Perm Improvement Fund	-	911	-	-
4730 Transfer from Enterprise Funds	735,782	742,508	865,000	874,600
<b>DIVISION TOTAL</b>	<b>2,760,372</b>	<b>2,792,888</b>	<b>2,887,900</b>	<b>2,908,500</b>

# City of Duluth Minnesota - 2018 Budget

## Engineering

Provides required engineering, planning, design and inspection for the construction of street, bridge and traffic control improvements. Transportation Engineering prepares studies, and conducts public hearings and meetings to make recommendations for municipal improvements. Bridges operates the Aerial Lift Bridge and along with the Minnesota Slip Pedestrian Drawbridge, inspects and maintains the mechanical components of the bridges to assure safe and dependable operations.

Budgeted FTE's	2015	2016	2017	2018	Difference
1140 City Engineer	0.4	0.4	0.4	0.4	-
1140 Chief Eng Transportation	1.0	1.0	1.0	1.0	-
1075 Lift Bridge Supervisor	1.0	1.0	1.0	1.0	-
27 Bridge Operator	5.0	5.0	5.0	5.0	-
129 Admin Info Specialist	-	-	-	-	-
126 Information Technician	0.4	0.6	0.6	0.4	(0.2)
39 Senior Project Engineer	1.0	1.0	1.0	1.0	-
36 Project Engineer	1.0	2.0	2.0	2.0	-
34 Sr. Engineering Spec.	2.2	1.2	1.2	1.2	-
31 Sr. Engineering Tech.	3.6	3.6	3.8	3.5	(0.3)
28 Engineering Technician	0.5	0.5	0.3	0.3	-
<b>Division Total</b>	<b>16.1</b>	<b>16.3</b>	<b>16.3</b>	<b>15.8</b>	<b>(0.5)</b>

Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Personal Services					
Permanent Salaries	1,015,268	1,063,447	1,144,500	1,152,800	8,300
Overtime	87,230	82,617	56,000	56,000	-
Other Wages	4,981	32,086	25,100	25,100	-
<b>Total Salaries</b>	<b>1,107,479</b>	<b>1,178,151</b>	<b>1,225,600</b>	<b>1,233,900</b>	<b>8,300</b>
Benefits	423,776	427,295	452,100	470,500	18,400
Other Expense					
Materials & Supplies	34,243	33,022	50,900	48,100	(2,800)
Services	33,233	24,461	54,500	49,000	(5,500)
Utilities & Maintenance	18,300	21,075	15,800	21,100	5,300
Other	23,383	33,144	28,800	31,800	3,000
<b>Total Other Expense</b>	<b>109,159</b>	<b>111,703</b>	<b>150,000</b>	<b>150,000</b>	<b>-</b>
<b>Division Total</b>	<b>1,640,414</b>	<b>1,717,149</b>	<b>1,827,700</b>	<b>1,854,400</b>	<b>26,700</b>

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Engineering - 110-500-1930</b>				
PERSONAL SERVICES				
5100 Permanent Salaries	1,015,268	1,063,447	1,144,500	1,152,800
5101 Premium Pay	87,230	82,617	56,000	56,000
5103 Other Wages	4,981	31,615	25,100	25,100
5111 Long-Term Disability Wages	-	471	-	-
TOTAL	1,107,479	1,178,151	1,225,600	1,233,900
EMPLOYEE BENEFITS				
5118 Meal Allowance	140	438	-	200
5121 PERA Retirement	81,297	83,313	87,900	89,800
5122 FICA - Social Security	67,147	71,484	76,000	76,500
5123 FICA - Medicare	15,703	16,718	17,700	17,900
5125 Dental Insurance	5,773	5,896	6,000	5,800
5126 Life Insurance	2,794	2,567	2,900	2,900
5127 Health Care Savings Plan (HCSP)	21,839	32,345	22,400	27,200
5130 Cafeteria Plan Benefits	229,083	214,480	239,200	250,200
5133 Health or Fitness Program	-	54	-	-
TOTAL	423,776	427,295	452,100	470,500
OTHER EXPENDITURES				
5200 Office Supplies	2,467	2,237	3,100	3,300
5201 Computer Supplies/Software	5,326	374	400	300
5203 Paper/Stationery/Forms	762	159	700	700
5205 Safety & Training Materials	777	1,448	1,800	2,300
5211 Cleaning/Janitorial Supplies	55	1,035	300	800
5212 Motor Fuels	4,686	3,195	4,200	4,200
5218 Uniforms	-	795	700	800
5219 Other Miscellaneous Supplies	561	504	400	400
5220 Repair & Maintenance Supplies	9,480	12,830	25,000	18,000
5240 Small Tools	3,323	591	3,500	4,000
5241 Small Equip-Office/Operating	4,993	5,678	4,500	4,700
5242 Survey Equipment and Supplies	1,813	4,177	6,300	8,600
5303 Engineering Services	13,621	5,815	26,400	26,400
5319 Other Professional Services	661	264	500	500
5320 Data Services	1,056	1,561	2,300	2,500
5321 Phone Service	3,998	3,721	3,600	3,800
5322 Postage	2	-	100	100
5331 Travel/Training	8,341	10,640	16,400	11,000

# City of Duluth Minnesota - 2018 Budget

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>Engineering - 110-500-1930 continued</b>				
5335 Local Mileage Reimbursement	491	1,052	1,500	1,000
5355 Printing & Copying	3,278	705	800	800
5356 Copier, Printer Lease & Supplies	1,537	339	2,500	2,500
5384 Refuse Disposal	248	362	400	400
5404 Equipment/Machinery Repair & Mtc	11,409	15,279	7,300	12,600
5409 Fleet Services Charges	6,891	5,797	8,500	8,500
5411 Land Rental/Easements	-	-	-	1,000
5414 Software Licenses & Mtce Agreements	13,973	23,828	15,200	17,900
5433 Dues & Subscription	1,247	431	2,700	2,700
5435 Books & Pamphlets	772	54	700	700
5438 Licenses	-	195	-	800
5441 Other Services & Charges	6,947	8,255	9,800	8,300
5450 Laundry	444	380	400	400
TOTAL	109,159	111,703	150,000	150,000
<b>DIVISION TOTAL</b>	1,640,414	1,717,149	1,827,700	1,854,400
REVENUE SOURCE				
4152 Excavation Permits	17,430	12,670	20,000	15,000
4170 Miscellaneous Permits	61,057	43,904	25,000	25,000
4324 Miscellaneous Services	-	-	-	-
4370 Engineering Services	351,395	97,021	75,000	353,000
4631 Media Sales	6,270	70	500	100
4654 Other Reimbursements	17	-	200	100
4730 Transfer from Tourism Taxes	57,000	57,000	57,000	57,000
4730 Transfer from Enterprise Funds	26,000	-	-	-
TOTAL	519,169	210,664	177,700	450,200

# City of Duluth Minnesota - 2018 Budget

## Transfers and Other Functions

This department is a reporting agency that accounts for transfers to other funds and for miscellaneous activities and services that are not directly attributable or easily distributed to operating departments.

General Fund Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>EXPENDITURES</b>				
Citywide Dues & Lobbying	162,931	174,810	83,700	83,700
Citywide Communications	192,473	149,917	236,800	236,800
Miscellaneous	144,908	717,431	175,700	175,700
Civic Events and Awards	26,243	17,952	65,500	65,500
Business Improvement Dist.	354,567	359,772	300,000	300,000
Public Access Television	181,640	182,000	182,000	182,000
Sales Tax Administration	95,205	107,278	120,000	120,000
Capital Program - CEP	109,299	3,752	-	895,500
Unemployment Compensation	13,538	30,930	27,500	27,500
Benefits Administration	81,749	71,399	100,000	100,000
Retiree Insurance	6,950,146	6,748,893	7,399,100	7,399,100
Self Insurance Contribution	900,000	1,000,000	1,000,000	1,200,000
Street Improvement Program Debt	-	688,202	-	-
Accruals	-	-	411,500	500,000
<b>Department Total</b>	<b>9,212,699</b>	<b>10,252,336</b>	<b>10,101,800</b>	<b>11,285,800</b>
<b>REVENUE SOURCE</b>				
4500 Assessments - Service Charge	354,567	361,857	300,000	300,000
4501 Assessment Penalty & Interest	-	2,741	-	-
4639 Sale of Equipment	90,543	47,006	40,000	-
4640 Sale of Land	3,000	-	65,700	-
4654 Other Reimbursements	3,891	294	-	-
4680 Damage or Losses Recovered	-	2,700	-	-
4730 Transfer from Special Revenue	-	454,862	400,000	425,000
4999 Fund Balance Reserves-Solar Program	-	-	-	895,500
<b>DEPARTMENT TOTAL</b>	<b>452,001</b>	<b>869,460</b>	<b>805,700</b>	<b>1,620,500</b>

# Special Revenue Funds

# City of Duluth Minnesota - 2018 Budget

## Special Revenue Funds

### Funds

Lake Superior Zoological Gardens  
 Parks Fund  
 Special Projects  
 Police Grants  
 Capital Equipment  
 Economic Development  
 Community Investment Fund  
 Energy Management  
 Special City Excise and Sales Tax (Tourism Taxes)  
 Home Program  
 Community Development  
 Community Development Admin  
 Workforce Investment Act  
 Senior Programs  
 Other Post Employment Benefits  
 DECC Revenue Fund  
 Street System Maintenance Utility

Special Revenue funds account for specific financial resources (other than special assessments, expendable trusts or other major capital projects) that are restricted to expenditures for specific purposes.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	67,937,139	70,900,526	77,554,022	84,006,999
REVENUES				
Taxes	13,254,276	13,953,117	17,077,100	17,923,300
Intergovernmental	9,347,132	11,334,351	9,951,143	11,295,018
Miscellaneous	23,206,831	28,357,910	23,983,580	24,189,653
TOTAL REVENUES	45,808,239	53,645,378	51,011,823	53,407,971
EXPENSES				
Personal Services	13,922,162	13,593,601	13,957,679	15,054,492
Other Services and Charges	4,644,852	5,550,495	6,165,158	7,902,898
Transfers	12,028,095	13,681,191	13,235,163	14,095,611
Miscellaneous	12,251,079	14,219,672	12,377,976	11,756,628
TOTAL EXPENSES	42,846,188	47,044,958	45,735,976	48,809,629
FUND BALANCE - DECEMBER 31	70,899,191	77,500,945	82,829,869	88,605,341

# City of Duluth Minnesota - 2018 Budget

## Lake Superior Zoological Gardens

200

Special Revenue fund established to account for the operation of the Lake Superior Zoological Gardens which was transferred to the Zoological Society in a new contractual relationship Approved by the City Council late in 2009. The City subsidizes operations with a transfer from the Tourism Tax Fund.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	(328,917)	(416,408)	(446,628)	(446,628)
REVENUES				
Intergovernmental, State of MN	120,000	200,000	160,000	160,000
Admissions	723,788	602,775	797,000	734,600
Concessions & Commissions, Misc	200,676	177,469	204,504	202,200
Reimbursement, Lake Superior				
Zoological Society	-	222,000	300,000	-
Gifts and Donations	15,593	9,901	50,000	50,000
Other Sources	12,658	14,017	10,370	8,945
Transfer from Tourism Tax	510,000	710,000	510,000	510,000
TOTAL REVENUES	<u>1,582,715</u>	<u>1,936,162</u>	<u>2,031,874</u>	<u>1,665,745</u>
EXPENSES				
Phone Service	1,096.00	1,113	3,780	3,600
Contract Services, Zoo Personnel	900,400	972,948	1,203,172	974,325
Contract Services, Op Expenses	754,341	749,390	812,922	660,120
Capital Outlay	-	233,181	-	-
Bank Charges	11,228	9,750	12,000	12,000
Interest	3,141	-	-	15,700
TOTAL EXPENSES	<u>1,670,206</u>	<u>1,966,382</u>	<u>2,031,874</u>	<u>1,665,745</u>
FUND BALANCE - DECEMBER 31	(416,408)	(446,628)	(446,628)	(446,628)

# City of Duluth Minnesota - 2018 Budget

## Parks Fund

205

Special Revenue fund established to account for the property tax money dedicated to be used for City parks only, as approved by the citizens of Duluth in a November 2011 special referendum vote.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	629,520	1,011,181	1,254,165	1,254,165
REVENUES				
Property Tax Levy	2,608,789	2,608,208	2,600,000	2,600,000
Intergovernmental Revenue	229,626	144,765	-	-
Licenses and Permits	53,605	51,080	49,000	68,000
Miscellaneous	135,148	122,111	90,540	119,246
Transfer In	19,254	415,000	-	-
<b>TOTAL REVENUES</b>	<b>3,046,422</b>	<b>3,341,164</b>	<b>2,739,540</b>	<b>2,787,246</b>
EXPENSES				
Personal Services	1,151,128	1,200,022	1,359,840	1,513,300
Other Services and Charges	532,497	454,828	484,700	470,392
Supplies	161,448	138,737	210,000	203,554
Miscellaneous	87,261	95,923	100,000	50,000
Transfers Out	-	73,835	-	-
Capital Outlay	732,426	1,134,835	585,000	550,000
<b>TOTAL EXPENSES</b>	<b>2,664,761</b>	<b>3,098,180</b>	<b>2,739,540</b>	<b>2,787,246</b>
FUND BALANCE - DECEMBER 31	1,011,181	1,254,165	1,254,165	1,254,165

# City of Duluth Minnesota - 2018 Budget

## Parks Fund - Continued

205

BUDGETED FTE'S	2015	2016	2017	2018
1125 Manager, Parks & Recreation	1	1	1	1
1070 Assistant Manager, Parks & Rec	1	1	1	1
33 Forestry & Natural Rscs Coor	0	0	0	0.5
133 Budget Analyst	0	0	0	0.2
131 Volunteer Coordinator	0.5	0	0	0
129 Special Events Coordinator	1.5	1	1	0
129 Park's Permit Coordinator	0	1	1	1
129 Admin Information Specialist	1	1	1	1
124 Senior Center Coordinator	1	1	1	1
32 Project Coordinator	2	2	2	2
28 Trails Coordinator	1	1	1	1
26 Recreation Specialist	2	2	2	2
22 Maintenance Worker	0.75	0.75	0.75	0
15 Project Technician	0	0	0	1
Division Total	11.75	11.75	11.75	11.7

# City of Duluth Minnesota - 2018 Budget

## Special Projects

210

Special Revenue fund established to account for monies received as either donations or small grants which are to be expended for a specific purpose or project.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	1,017,080	898,284	934,165	934,165
REVENUES				
Intergovernmental	450,197	551,809	187,500	112,500
Miscellaneous	613,940	757,492	582,200	806,800
Transfers In	6,573	30,000	30,000	30,000
TOTAL REVENUES	<u>1,070,710</u>	<u>1,339,301</u>	<u>799,700</u>	<u>949,300</u>
EXPENSES				
Personal Services - Police Extra Duty Pay	265,816	335,920	228,300	340,500
Other Services and Charges	270,367	295,349	162,800	220,100
Transfers Out	253,433	408,907	308,700	282,500
Miscellaneous	116,834	87,061	99,900	106,200
Capital Equipment	283,056	176,183	-	-
TOTAL EXPENSES	<u>1,189,506</u>	<u>1,303,420</u>	<u>799,700</u>	<u>949,300</u>
FUND BALANCE - DECEMBER 31	898,284	934,165	934,165	934,165

# City of Duluth Minnesota - 2018 Budget

## Police Special Grants

215

Special Revenue fund established to account for monies received as either donations or to be expended for a specific purpose or project.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	21,444	(9,202)	34,642	34,642
REVENUES				
Intergovernmental	1,106,282	1,482,635	1,391,948	1,336,473
Felony Forfeitures	65,327	121,789	100,000	100,000
TOTAL REVENUES	<u>1,171,609</u>	<u>1,604,424</u>	<u>1,491,948</u>	<u>1,436,473</u>
EXPENSES				
Other Services and Charges	302,522	373,642	421,025	486,821
Transfer to General Fund	686,994	920,184	792,713	706,316
Miscellaneous	136,629	143,096	156,000	183,336
Capital Equipment	76,110	123,658	122,210	60,000
TOTAL EXPENSES	<u>1,202,255</u>	<u>1,560,580</u>	<u>1,491,948</u>	<u>1,436,473</u>
FUND BALANCE - DECEMBER 31	(9,202)	34,642	34,642	34,642

# City of Duluth Minnesota - 2018 Budget

## Capital Equipment

250

Special Revenue fund established to account for monies received from bond proceeds, proceeds for the purchase of capital equipment for the City's various general fund departments, and the Parking enterprise fund.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	1,505,239	2,378,618	2,717,232	2,717,232
REVENUES				
Earnings on Investments	5,074	6,474	-	-
Bond Proceeds	3,497,304	3,882,321	3,950,000	3,877,000
TOTAL REVENUES	<u>3,502,378</u>	<u>3,888,795</u>	<u>3,950,000</u>	<u>3,877,000</u>
EXPENSES				
Bond Issuance Costs	44,424	53,207	161,596	65,000
Capital Equipment - Nonrolling	730,224	1,626,161	1,537,504	1,783,948
Capital Equipment - Rolling	1,854,351	1,870,813	2,250,900	2,028,052
TOTAL EXPENSES	<u>2,628,999</u>	<u>3,550,181</u>	<u>3,950,000</u>	<u>3,877,000</u>
FUND BALANCE - DECEMBER 31	2,378,618	2,717,232	2,717,232	2,717,232

# City of Duluth Minnesota - 2018 Budget

## Economic Development

255

Fund accounts for monies received from various U.S. Environmental Protection Agency and State of Minnesota DEED grants. Such monies are to be used for environmental cleanup as well as the revitalization of the economy of the City of Duluth.

	2014 Actual	2015 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	8,903	20,788	8,796	8,796
REVENUES				
Intergovernmental	183,027	618,338	800,000	2,810,000
Other Reimbursements	20,874	-	-	-
Other Miscellaneous	17,787	18,535	18,088	18,147
Transfer In	5,401	65,954	-	-
TOTAL REVENUES	<u>227,089</u>	<u>702,827</u>	<u>818,088</u>	<u>2,828,147</u>
EXPENSES				
Economic Development	215,204	635,169	818,088	2,828,147
Transfers Out	-	79,650	-	-
TOTAL EXPENSES	<u>215,204</u>	<u>714,819</u>	<u>818,088</u>	<u>2,828,147</u>
FUND BALANCE - DECEMBER 31	20,788	8,796	8,796	8,796

# City of Duluth Minnesota - 2018 Budget

## Community Investment Fund

256

Fund accounts for monies that were received from Fond-du-Luth Casino in accordance with agreements with the Fond du Lac Band of Lake Superior Chippewa. As required by ordinance, interest is transferred annually to the general fund, and expenditures require a super majority vote of the City Council.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	18,724,752	18,954,798	20,216,936	20,216,936
REVENUES				
Investment Earnings	230,046	1,717,000	400,000	400,000
TOTAL REVENUES	<u>230,046</u>	<u>1,717,000</u>	<u>400,000</u>	<u>400,000</u>
EXPENSES				
Transfer to General Fund (annual)	-	454,862	400,000	400,000
TOTAL EXPENSES	<u>0</u>	<u>454,862</u>	<u>400,000</u>	<u>400,000</u>
FUND BALANCE - DECEMBER 31	18,954,798	20,216,936	20,216,936	20,216,936

# City of Duluth Minnesota - 2018 Budget

## Energy Management

257

Special Revenue fund established to receive rebate and grant funds and pay administrative costs associated with energy efficiency projects and management activities such as the Cities for Climate Protection (CCP) program. The City used this funding to create an Office of Environmental Sustainability, which is responsible for coordinating all aspects of sustainability, eco-development as well as continuing on with current responsibilities.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	256,668	210,684	617,922	527,522
REVENUES				
Intergovernmental	9,178	-	15,000	-
Other Reimbursements	73,991	40,770	60,000	50,000
Miscellaneous	411	(2,550)	-	-
Interfund Transfer from General Fund	-	500,000	-	5,500
Interfund Transfer from Public Utility	75,000	75,000	75,000	220,000
TOTAL REVENUES	158,580	613,220	150,000	275,500
EXPENSES				
Personal Services	58,398	85,590	85,400	83,000
OPEB	90,865	113,719	120,000	461,858
Other Services and Charges	55,301	6,673	35,000	-
TOTAL EXPENSES	204,564	205,982	240,400	544,858
FUND BALANCE - DECEMBER 31	210,684	617,922	527,522	258,164

BUDGETED FTE'S	2015	2016	2017	2018
33 Energy Coordinator	1	1	1	1

# City of Duluth Minnesota - 2018 Budget

## Special City Excise and Sales Tax (Tourism Taxes)

258

Special revenue fund established to account for non-general sales tax monies received from food/beverage and hotel/motel retailers. These food/beverage and hotel/motel taxes will be used for tourism and other related activities, as dictated by state statutes and city ordinances.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	1,229,523	1,228,188	1,177,129	1,372,129
REVENUES				
Hotel Motel 3%	2,497,125	2,725,950	2,830,600	2,746,900
Hotel Motel 1%	832,375	908,650	943,500	915,700
Add'l. 2.0% Hotel Motel Tax	1,549,223	1,692,823	1,754,160	1,713,200
Add'l. .5% Hotel Motel Tax	387,306	423,206	438,540	428,300
Food & Beverage Tax 1.0%	2,390,870	2,486,347	2,537,911	2,541,900
Food & Beverage Tax .75%	1,793,153	1,864,760	1,903,433	1,906,400
Food & Beverage Tax .5%	1,195,435	1,243,173	1,268,956	1,270,900
Change in Fair Value	(736)	(1,863.00)	-	-
TOTAL REVENUES	10,644,751	11,343,046	11,677,100	11,523,300
EXPENSES				
Duluth Entertainment & Convention Center	97,276	97,723	98,000	99,100
Other Contract Services	-	42,175	-	-
Advertising & Publicity	2,033,031	1,942,182	1,985,500	2,072,000
Business Improvement District	200,000	200,000	200,000	200,000
Great Lakes Aquarium	435,000	560,000	372,500	360,000
Lake Superior Zoological Gardens	510,000	710,000	510,000	510,000
Spirit Mountain Operations	281,700	414,000	200,000	420,700
St. Louis County Heritage & Arts Center	176,800	226,800	226,800	220,000
Public Arts	40,000	40,000	40,000	15,000
Duluth Sister Cities International	40,000	39,999	40,000	40,000
Lake Superior & Mississippi Railroad	20,000	20,000	20,000	20,000
Rail Alliance	9,750	9,750	9,800	15,000
Glensheen	-	50,000	50,000	50,000
Mounted Patrol	-	30,000	30,000	-
Fourth Fest Fireworks	-	-	50,000	50,000
Transfer to General Fund	848,956	1,105,698	1,095,000	1,095,000
Transfer to Capital Projects	119,300	60,000	50,000	-
Transfer to Capital Funds	-	-	500,000	550,000
Transfer for Debt Service				
- DECC	3,335,127	3,548,034	3,651,300	3,602,600
- Spirit Mountain	500,000	645,700	645,700	500,000
- St Louis River Corridor	1,999,146	1,652,044	1,707,500	1,699,200
TOTAL EXPENSES	10,646,086	11,394,105	11,482,100	11,518,600
Increase (Decrease) Undesignated Fund Balance	(1,335)	(51,059)	195,000	4,700
FUND BALANCE - DECEMBER 31	1,228,188	1,177,129	1,372,129	1,376,829

# City of Duluth Minnesota - 2018 Budget

## Home Program

260

Special Revenue fund established to account for monies received from the U.S. Department of Housing and Urban Development under the Home Investment Partnership (HOME) Program. These costs include single family rehabilitation and administration of the program, as well as funds targeted to affordable housing development by special community housing organizations (CHDO's). The 2018 budget figures represent preliminary estimates only.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	(30,054)	(21,530)	(30,478)	(30,478)
REVENUES				
Home Grant	390,867	618,059	471,511	463,411
TOTAL REVENUES	<u>390,867</u>	<u>618,059</u>	<u>471,511</u>	<u>463,411</u>
EXPENSES				
Tenant Based Rental Assistance	45,220	132,554	110,000	115,000
Community Housing Devel Program	162,709	360,500	150,000	187,070
Rehabilitation	133,438	110,897	164,360	115,000
Administration	40,976	23,056	47,151	46,341
TOTAL EXPENSES	<u>382,343</u>	<u>627,007</u>	<u>471,511</u>	<u>463,411</u>
FUND BALANCE - DECEMBER 31	(21,530)	(30,478)	(30,478)	(30,478)

# City of Duluth Minnesota - 2018 Budget

## Community Development

262

Special Revenue fund established to account for monies received from the U.S. Department of Housing and Urban Development (HUD) as a grantee under the Community Development Block Grant Program (CDBG). These monies are to be expended for projects considered necessary for the renewal and revitalization of targeted eligible neighborhoods and low and moderate income households. The 2018 budget figures represent preliminary estimates only, awaiting the allocation of HUD funds.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	(140,799)	(306,968)	(285,452)	(285,452)
REVENUES				
State of Minnesota	295,579	73,127	-	-
Community Development Block Grant	2,421,150	2,162,721	2,190,293	2,197,695
Emergency Shelter Grant	196,882	172,574	198,963	197,186
Lead Remediation Grant	232,731	770,695	545,000	-
Transfer in from Special Revenue Fund	-	-	91,499	-
Miscellaneous reimbursements	1,518	-	-	-
TOTAL REVENUES	<u>3,147,860</u>	<u>3,179,117</u>	<u>3,025,755</u>	<u>2,394,881</u>
EXPENSES				
Economic Development	317,045	303,887	328,000	329,654
Housing	1,344,053	1,490,743	1,160,631	879,078
Physical Improvements	779,956	373,712	350,000	219,770
Public Service Projects	290,409	305,838	512,585	512,052
Program Administration	582,566	683,421	674,539	454,327
TOTAL EXPENSES	<u>3,314,029</u>	<u>3,157,601</u>	<u>3,025,755</u>	<u>2,394,881</u>
FUND BALANCE - DECEMBER 31	(306,968)	(285,452)	(285,452)	(285,452)

# City of Duluth Minnesota - 2018 Budget

## Community Development Administration

265

Special Revenue fund established to account for the administrative costs associated with the Community Development Block Grant Program (CDBG) and other HUD Programs.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	-	-	-	-
REVENUES				
Community Development Block Grant	560,627	637,220	602,466	537,860
Home Grant	29,310	8,991	47,151	46,341
Lead Paint Abatement Grant	5,295	16,554	10,000	-
Emergency Shelter Grant	4,832	7,248	14,922	14,788
TOTAL REVENUES	600,064	670,013	674,539	598,989
EXPENSES				
Personal Services	549,341	638,358	578,400	513,800
OPEB	3,639	2,426	4,600	2,300
Other Services and Charges	47,084	29,229	91,539	82,889
TOTAL EXPENSES	600,064	670,013	674,539	598,989
FUND BALANCE - DECEMBER 31	-	-	-	-

BUDGETED FTE'S	2015	2016	2017	2018
1150 Director, Planning & Const Services	0.33	0.33	0.33	0.33
1085 Manager, CD/Housing	1	1	0.5	0.5
136 Senior Planner	2	2	2	1
133 Planner II	3	3	3	2
126 Information Technician	0.5	0.5	0.5	0.25
129 Planner I	0	0	0	1
Division Total	6.83	6.83	6.33	5.08

# City of Duluth Minnesota - 2018 Budget

## Workforce Development

268

Special Revenue fund which accounts for monies received through the Minnesota Department of Employment and Economic Development, St. Louis County, and SOAR Career Solutions to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons. The 2018 budget figures represent preliminary estimates only and are subject to change as grants are appropriated by the State and approved by the City Council.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	266,347	245,685	218,301	218,301
REVENUES				
Miscellaneous	8,567	5,816	21,840	13,635
Building Rent	223,399	228,763	230,922	237,849
MN Family Investment Program	914,358	908,222	908,222	926,445
Federal Grant	618,865	630,114	747,971	767,171
State Grant	371,815	478,440	407,656	423,499
TOTAL REVENUES	2,137,004	2,251,355	2,316,611	2,368,599
EXPENSES				
Personal Services	1,354,588	1,500,762	1,454,329	1,381,335
OPEB	11,252	12,129	13,400	7,277
Other Services and Charges	791,826	765,848	848,882	979,987
TOTAL EXPENSES	2,157,666	2,278,739	2,316,611	2,368,599
FUND BALANCE - DECEMBER 31	245,685	218,301	218,301	218,301
BUDGETED FTE'S				
1085 Mgr. Workforce Development	1	1	1	1
134 Operations Administrator	1	1	1	1
131 Employment Technician	13.75	13.75	12.64	12.64
126 Information Technician	2	2	2	2
37 Youth Program Tutor	0.3	0.3	0	0
Division Total	18.05	18.05	16.64	16.64

# City of Duluth Minnesota - 2018 Budget

## Senior Employment

270

Special Revenue fund which accounts for monies received through the Minnesota Department of Employment and Economic Development and Senior Services of America, Inc. under Title V of the Older Americans Act to provide useful part-time employment for low-income elderly and to improve community services.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	10	10	10	10
REVENUES				
Senior Employment Program - State	150,859	232,416	111,832	102,522
Senior Aides Program - Federal	247,253	106,660	233,287	225,778
TOTAL REVENUES	<u>398,112</u>	<u>339,076</u>	<u>345,119</u>	<u>328,300</u>
EXPENSES				
Personal Services	377,858	327,955	345,119	328,300
Other Services and Charges	20,254	13,139	-	-
TOTAL EXPENSES	<u>398,112</u>	<u>341,094</u>	<u>345,119</u>	<u>328,300</u>
FUND BALANCE - DECEMBER 31	10	(2,008)	10	10

# City of Duluth Minnesota - 2018 Budget

## Other Post Employment Benefits - OPEB

280

To accumulate resources to be deposited into an irrevocable trust fund for retiree health care costs. This fund only budgets the accrued liability portion of the annual required contribution for Other Post Employment Benefits. The "normal cost" portion of the annual required contribution is budgeted in the Medical Health Fund 630.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	43,257,834	44,396,057	49,063,497	52,836,344
REVENUES				
Investment Earnings	999,887	1,091,587	1,062,000	1,163,000
Investment Earnings-City Pooled	-	-	700,000	400,000
Change in Fair Value	(447,935)	3,029,073	2,000,000	2,000,000
Transfer from Special Revenue Funds	-	-	13,847	8,500
Contributions- Employer	10,602,498	9,779,402	9,892,891	10,536,980
TOTAL REVENUES	11,154,450	13,900,062	13,668,738	14,108,480
EXPENSES				
Administrative Expenses	3,342	3,920	3,000	3,000
Benefits	10,012,885	9,228,702	9,892,891	10,536,980
TOTAL EXPENSES	10,016,227	9,232,622	9,895,891	10,539,980
FUND BALANCE - DECEMBER 31	44,396,057	49,063,497	52,836,344	56,404,844

# City of Duluth Minnesota - 2018 Budget

## DECC Revenue Fund

281

Special revenue fund established to account for the .75% food & beverage tax and the DECC pledged lodging tax dedicated to its support and maintenance. Revenues in the fund will be used to pay debt service on the DECC expansion bonds.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	2,513,636	2,856,831	2,846,775	4,245,175
REVENUES				
Investment Earnings Change in Fair Value	(3,009)	(6,980)	-	-
Transfer from Special Revenue Funds (Tourism)				
Hotel/Motel Tax	1,541,974	1,683,274	1,747,900	1,696,200
Food & Beverage Tax	1,793,153	1,864,760	1,903,400	1,906,400
TOTAL REVENUES	3,332,118	3,541,054	3,651,300	3,602,600
EXPENSES				
Miscellaneous	553,336	678,806	-	-
Transfer to Debt Service	2,435,587	2,872,304	2,252,900	2,308,100
TOTAL EXPENSES	2,988,923	3,551,110	2,252,900	2,308,100
FUND BALANCE - DECEMBER 31	2,856,831	2,846,775	4,245,175	5,539,675

# City of Duluth Minnesota - 2018 Budget

## Street System Maintenance Utility

290

Special Revenue fund used to account for monies for street system maintenance utility levy from residential, commercial, and industrial properties, used to fund existing street improvement debt, enhanced maintenance, and street reconstruction.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	235,476.00	681,697	404,139	404,139
REVENUES				
Payment in Lieu of Tax	301,929	-	-	-
Street System Mtce Utility Fee	2,712,334	2,650,959	-	-
Property Tax	-	-	2,800,000	3,800,000
Earnings On Investments	(1,313)	31	-	-
Interest Earned-Customer Accounts	514	9,713	-	-
TOTAL REVENUES	<u>3,013,464</u>	<u>2,660,703</u>	<u>2,800,000</u>	<u>3,800,000</u>
EXPENSES				
Personal Services	140,896	264,163	-	350,000
Supplies	535,598	688,751	-	360,540
Other Services and Charges	-	69,355	968,650	137,565
Uncollectible Accounts	197	126	-	-
Allowance-Uncollectible Accounts	-	18,643	-	-
To Public Utilities - Cost Allocation	41,000	37,250	-	-
Transfer to Street Improvement	356,768	172,436	533,150	1,855,195
Transfer to Debt Service	1,492,784	1,687,537	1,298,200	1,096,700
TOTAL EXPENSES	<u>2,567,243</u>	<u>2,938,261</u>	<u>2,800,000</u>	<u>3,800,000</u>
FUND BALANCE - DECEMBER 31	681,697	404,139	404,139	404,139

# Debt Service Funds

# City of Duluth Minnesota - 2018 Budget

## Debt Service Funds

### Funds

GO Debt Service - Tax Levy  
 GO Debt Service - Other Sources  
 Special Assessment Debt  
 Street Improvement Debt  
 Tax Increment Debt Service

Debt Service Funds account for the accumulation of resources for, and the payment of, long term principal, interest and related costs. The City is meeting all of its debt service policy statements as outlined in the budget summary in the Introduction Section of the document.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	15,872,600	16,639,942	19,734,866	17,406,866
REVENUES				
Taxes and Tax Increment	6,565,982	6,573,311	7,182,000	7,182,000
Special Assessments	974,821	957,957	620,700	550,000
Miscellaneous	219,253	189,948	238,800	222,300
Other Financing Sources	13,705,608	49,703,422	7,726,900	7,223,800
TOTAL REVENUES	<u>21,465,664</u>	<u>57,424,638</u>	<u>15,768,400</u>	<u>15,178,100</u>
EXPENSES				
Debt Service Payments	17,785,967	13,796,730	17,765,500	15,454,400
Miscellaneous	2,912,355	40,532,984	330,900	330,900
TOTAL EXPENSES	<u>20,698,322</u>	<u>54,329,714</u>	<u>18,096,400</u>	<u>15,785,300</u>
FUND BALANCE - DECEMBER 31	16,639,942	19,734,866	17,406,866	16,799,666

# City of Duluth Minnesota - 2018 Budget

## Debt Service Funds Narrative

### 2017 DEBT STATUS

The ratio of net direct bonded debt to assessed and market valuations, and the amount of bonded debt per capita are useful indicators of the City's debt position. Net direct bonded debt is considered to be tax supported, and is levied by taking the gross bonded debt of the City and subtracting allowable deductions for various revenue, tax increment, and special assessment issues. Estimated net direct bonded debt as of December 31, 2017 as it pertains to the City of Duluth is estimated as follows:

Total Gross Bonded Debt		\$156,017,000
Less:		
City - general obligation bonds paid by parking revenues	\$ 20,352,000	
City - general obligation bonds paid by other revenues	62,085,000	
Tax Abatement Bonds	13,435,000	
Utility bonds paid from Enterprise Funds	14,625,000	
Special assessment bonds	7,320,000	
Net Direct Bonded Debt		<u>\$38,200,000</u>

The City's debt is shown in the following table as a share of market value and per capita. The general obligation debt is limited by State Statute to 2.0 percent of market value, or \$113 million.

<u>Year</u>	<u>Amount (in Thousands)</u>	<u>Percent of Market Value</u>	<u>Dollars Per Capita</u>
2017	\$38,200	0.6	\$443
2016	\$38,515	0.7	\$446
2015	\$38,950	0.7	\$452
2014	\$40,310	0.8	\$467
2013	\$41,281	0.8	\$479
2012	\$40,540	0.8	\$470
2011	\$41,874	0.7	\$485
2010	\$40,949	0.7	\$471
2009	\$41,410	0.7	\$476
2008	\$22,420	0.4	\$258
2007	\$28,986	0.5	\$333

The preceding table used an estimated taxable market value of \$5,943,685,594 and a population of 86,265, as reported in the 2010 census.

# City of Duluth Minnesota - 2018 Budget

## Debt Service Funds Narrative

The following tables provide specific information relative to the 2017 status of the debt service funds of the City. The appropriation budgets of each specific debt fund follow this presentation.

<u>General Obligation Bonds:</u>	<u>Issue Date</u>	<u>Outstanding 12/31/2017</u>	<u>2018 Levy Requirements</u>
Aerial Lift Bridge	8/07/08	335,000	177,300
DEDA - Cirrus	4/20/07	-	11,000
AAR Abatement	-	-	93,800
Miller Hill Flats Abatement	-	-	8,500
Police Station	12/17/09	14,445,000	1,431,400
Lakewalk & Cross City Equipment	12/18/13	1,220,000	126,300
Equipment	12/18/13	1,585,000	816,000
Equipment	10/30/14	1,505,000	519,000
Equipment	11/5/2015	2,705,000	726,700
Equipment	11/9/2016	3,565,000	807,200
Equipment	11/21/2017	3,615,000	814,000
Capital Improvement Projects	11/23/10	940,000	251,500
Capital Improvement Projects	11/29/11	1,005,000	219,500
Capital Improvement Projects	12/18/13	1,305,000	209,100
Capital Improvement Projects	10/30/14	915,000	127,600
Capital Improvement Projects	11/5/2015	1,475,000	183,500
Capital Improvement Projects	11/9/2016	1,135,000	141,400
Capital Improvement Projects	11/21/2017	1,545,000	184,500
TOTAL DEBT SERVICE			6,848,300
5% Additional required by law (1)			342,400
			<u>7,190,700</u>
Less: Cash on hand			(358,100)
NET DEBT LEVY - Total required by taxation			<u>6,832,600</u>

(1) State law requires the City set aside 5% of existing bond obligations to cover anticipated shortages from tax delinquency.

# City of Duluth Minnesota - 2018 Budget

## General Obligation Debt Fund - Tax Levy

310

This Debt Service Fund is for the payment of tax levy supported general obligation bonds issued by the City.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	6,852,545	7,056,342	7,332,204	7,507,704
REVENUES				
Property Taxes	6,565,982	6,573,311	6,832,600	6,832,600
Earnings on Investments	(5,139)	(17,034)	-	-
Other Sources	224,066	222,674	238,800	222,300
Transfer from Capital Project	4,243	1,204	-	-
TOTAL REVENUES	6,789,152	6,780,155	7,071,400	7,054,900
EXPENSES				
Debt Service Payments:				
Bond Principal	5,205,567	5,165,000	5,475,000	5,540,000
Bond Interest	1,379,788	1,339,293	1,412,800	1,407,300
Other Expenditures:				
Transfer to General Fund	-	-	-	-
Transfer to Debt Service	-	-	-	-
Bond Fees	-	-	8,100	8,600
TOTAL EXPENSES	6,585,355	6,504,293	6,895,900	6,955,900
FUND BALANCE - DECEMBER 31	7,056,342	7,332,204	7,507,704	7,606,704

# City of Duluth Minnesota - 2018 Budget

## General Obligation Debt Fund - Other Sources

320

This debt service fund accounts for the payment of general obligation bonds issued by the City which are tax increment and revenue supported debt. Excluded from this fund are utility bonds and special assessment bonds.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	2,520,298	4,716,750	6,592,293	5,909,793
REVENUES				
Sale of Bonds	2,913,417	33,470,000	-	-
Bond Premium	-	6,729,694	-	-
Earnings on Investments	(8,117)	(20,179)	-	-
Transfer from Special Revenue -				
DECC Improvement	2,435,588	2,109,864	2,252,900	2,307,400
Spirit Mountain	500,000	500,000	500,000	500,000
St. Louis River Corridor	1,999,146	1,652,044	1,707,500	1,363,400
Transfer from Capital Projects -				
Excess Proceeds on New Bonds	-	170,423	-	-
Transfer from Debt Service -				
Lakewalk Homes	-	-	-	-
Funded by Others -				
Airport	964,262	1,213,081	1,221,800	1,204,800
Spirit Mountain	16,519	19,119	16,500	18,800
Seaway Port - Airpark	89,272	91,297	88,000	89,700
Airport - Cirrus	398,219	1,049,721	642,000	643,000
TOTAL REVENUES	9,308,306	46,985,064	6,428,700	6,127,100
EXPENSES				
Bond Principal	1,730,000	2,020,000	4,320,000	3,440,000
Bond Interest	2,469,499	2,556,537	2,785,700	2,678,300
Payment to Escrow	-	39,861,356	-	-
Bond Discount/Issuance	62,355	330,213	-	-
Transfer to Debt Service	-	341,415	-	-
Payment to Other Gov't Agency	2,850,000	-	-	-
Fiscal Agents	-	-	5,500	5,000
TOTAL EXPENSES	7,111,854	45,109,521	7,111,200	6,123,300
FUND BALANCE - DECEMBER 31	4,716,750	6,592,293	5,909,793	5,913,593

# City of Duluth Minnesota - 2018 Budget

## Special Assessment Debt Service

325

This Debt Service Fund accounts for the accumulation of resources and the payment of principal, interest and related costs on special assessment bonds issued by the City.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	1,528,700	1,326,640	1,129,867	818,967
REVENUES				
Construction Assessments	627,757	674,619	450,000	400,000
Earnings on Investments	(556)	(1,932)	-	-
Sale of Bonds	-	-	-	-
Bond Premium	-	-	-	-
TOTAL REVENUES	<u>627,201</u>	<u>672,687</u>	<u>450,000</u>	<u>400,000</u>
EXPENSES				
Bond Principal	735,433	791,000	701,000	722,000
Bond Interest	93,828	78,460	58,500	41,300
Payment to Escrow	-	-	-	-
Bond Discount/Issuance	-	-	-	-
Fiscal Agents	-	-	1,400	1,400
TOTAL EXPENSES	<u>829,261</u>	<u>869,460</u>	<u>760,900</u>	<u>764,700</u>
FUND BALANCE - DECEMBER 31	1,326,640	1,129,867	818,967	454,267

# City of Duluth Minnesota - 2018 Budget

## Street Improvement Debt Service

330

This Debt Service Fund accounts for the accumulation of resources and the payment of principal, interest, and related costs on street improvement bonds issued by the City.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	4,971,057	3,540,210	4,680,502	3,135,502
REVENUES				
Construction Assessments	347,064	283,338	170,700	150,000
Earnings on Investments	882	(13,760)	-	-
Sale of Bonds	2,630,000	-	-	-
Bond Premium	270,275	-	-	-
Transfer from General Fund	-	688,202	-	-
Transfer from Debt Service	-	341,415	-	-
Transfer from Special Revenue	1,492,784	1,687,537	1,298,200	1,096,700
TOTAL REVENUES	4,741,005	2,986,732	1,468,900	1,246,700
EXPENSES				
Fiscal Agent Fees	-	-	1,400	1,400
Bond Principal	2,800,000	1,550,000	2,770,000	1,460,000
Bond Interest	477,884	296,440	242,500	165,500
Payment to Escrow	2,845,900	-	-	-
Bond Discount/Issuance	48,068	-	-	-
Transfer to General Fund	-	-	-	-
TOTAL EXPENSES	6,171,852	1,846,440	3,013,900	1,626,900
FUND BALANCE - DECEMBER 31	3,540,210	4,680,502	3,135,502	2,755,302

# City of Duluth Minnesota - 2018 Budget

## Tax Increment Debt Service

359

This debt service fund is for the collection and distribution of tax increment proceeds associated with City TIF districts.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	-	-	-	34,900
REVENUES				
Tax increments	-	-	349,400	349,400
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>349,400</u>	<u>349,400</u>
EXPENSES				
Other Expenditures:				
Transfer to Enterprise Fund	-	-	314,500	314,500
TOTAL EXPENSES	<u>-</u>	<u>-</u>	<u>314,500</u>	<u>314,500</u>
FUND BALANCE - DECEMBER 31	-	-	34,900	69,800

# Capital Project Funds

# City of Duluth Minnesota - 2018 Budget

## Capital Project Funds

### Funds

Special Assessment Capital  
 Permanent Improvements  
 Street Improvement Program  
 Capital Improvement  
 Tourism and Recreation Projects

Capital Project funds account for financial resources to be used for acquisition, construction, and improvements of capital facilities other than those financed by enterprise funds.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	4,788,034	17,060,315	14,387,245	13,421,095
REVENUES				
Taxes	279,989	280,067	280,000	280,000
Intergovernmental	7,409,289	4,673,544	8,065,000	10,896,500
Miscellaneous	16,190,885	2,217,949	1,935,850	2,379,941
Other Financing Sources	675,834	2,185,073	4,215,000	6,701,300
TOTAL REVENUES	<u>24,555,997</u>	<u>9,356,633</u>	<u>14,495,850</u>	<u>20,257,741</u>
EXPENSES				
Current	206,804	38,765	75,000	50,000
Capital Outlay	12,076,912	11,990,938	15,387,000	20,777,800
TOTAL EXPENSES	<u>12,283,716</u>	<u>12,029,703</u>	<u>15,462,000</u>	<u>20,827,800</u>
FUND BALANCE - DECEMBER 31	17,060,315	14,387,245	13,421,095	12,851,036

# City of Duluth Minnesota - 2018 Budget

## Special Assessment Capital Project

410

Capital Project fund established to account for improvements which are financed by special assessments. The 2018 budget figures represent preliminary estimates only.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	34,832	(236,059)	(196,444)	(162,594)
REVENUES				
Assessment Collections	9,938	45,963	33,850	35,324
Earnings on Investments	76	-	-	-
TOTAL REVENUES	<u>10,014</u>	<u>45,963</u>	<u>33,850</u>	<u>35,324</u>
EXPENSES				
Improvements Other Than Buildings	<u>280,905</u>	<u>6,348</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>280,905</u>	<u>6,348</u>	<u>-</u>	<u>-</u>
FUND BALANCE - DECEMBER 31	(236,059)	(196,444)	(162,594)	(127,270)

# City of Duluth Minnesota - 2018 Budget

## Permanent Improvement

411

Minnesota State Laws 1971, Chapter 824 - authorizing the City to levy an amount not to exceed .04836 percent of the tax capacity of the City to pay the cost of local improvements which will not sustain a special assessment.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	607,158	517,753	(379,773)	(379,773)
REVENUES				
Current Property Taxes	275,395	275,333	280,000	280,000
Delinquent Property Taxes	4,594	4,734	-	-
Miscellaneous Federal Grants	1,010,961	592,630	3,297,900	1,419,300
State of Minnesota	135,203	22,406	-	-
Municipal State Aid	4,108,736	2,327,647	3,767,100	8,477,200
Investment Earnings	(228)	3,656	-	-
Other Sources	143,248	492,299	-	-
Special Revenue Funds	56,518	79,650	800,000	626,300
Capital Project Funds	-	343,248	-	-
Public Utility Funds	-	-	415,000	4,295,000
TOTAL REVENUES	<u>5,734,427</u>	<u>4,141,603</u>	<u>8,560,000</u>	<u>15,097,800</u>
EXPENSES				
Improvements Other Than Buildings	5,823,832	4,989,686	8,560,000	15,097,800
Transfer to General Fund	-	911	-	-
Transfer to Special Revenue	-	48,532	-	-
TOTAL EXPENSES	<u>5,823,832</u>	<u>5,039,129</u>	<u>8,560,000</u>	<u>15,097,800</u>
FUND BALANCE - DECEMBER 31	517,753	(379,773)	(379,773)	(379,773)

# City of Duluth Minnesota - 2018 Budget

## Street Improvement Program

440

Capital Project Fund established to account for improvements to be made as part Street Improvement Program.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	401,891	368,556	815,671	815,671
REVENUES				
Investment Earnings	(352)	(2,515)	-	-
Transfer from Special Revenue	356,768	172,436	-	1,230,000
Assessment Collections	541,731	636,532	302,000	344,617
Other Reimbursements	96,539	-	-	-
TOTAL REVENUES	<u>994,686</u>	<u>806,453</u>	<u>302,000</u>	<u>1,574,617</u>
EXPENSES				
Improvements Other than Buildings	1,028,021	59,338	202,000	1,230,000
Transfer to PI Fund	-	300,000	100,000	-
TOTAL EXPENSES	<u>1,028,021</u>	<u>359,338</u>	<u>302,000</u>	<u>1,230,000</u>
FUND BALANCE - DECEMBER 31	368,556	815,671	815,671	1,160,288

# City of Duluth Minnesota - 2018 Budget

## Capital Improvement

450

Capital Project fund established to account for bond proceeds, transfers from other funds, and other revenues received for capital improvement

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	3,744,153	3,641,222	3,824,342	3,824,342
REVENUES				
Federal Grant	2,154,389	481,926	-	-
State of Minnesota	-	772,611	-	-
Municipal State Aid	-	331,418	-	-
Earnings on Investments	24,923	23,231	-	-
Other Reimbursements	106,580	95,491	-	-
Transfer from General Fund	-	-	2,000,000	-
Transfer from Capital Projects	-	275,000	-	-
Transfer from Special Revenue	119,300	822,440	1,000,000	550,000
Bond Proceeds	1,647,777	1,135,000	1,600,000	1,500,000
Premium on bonds	-	149,665	-	-
TOTAL REVENUES	4,052,969	4,086,782	4,600,000	2,050,000
CAPITAL OUTLAY EXPENDITURES				
Transfer to Debt Service	3,687	209	-	-
Bond Issuance Costs	42,248	38,765	75,000	50,000
Capital Improvements	4,109,965	3,864,688	4,525,000	1,450,000
TOTAL EXPENSES	4,155,900	3,903,662	4,600,000	1,500,000
FUND BALANCE - DECEMBER 31	3,641,222	3,824,342	3,824,342	4,374,342

# City of Duluth Minnesota - 2018 Budget

## Tourism & Recreational Projects

452

Capital Project fund established to account for bond proceeds for tourism and recreational projects along the St Louis River Corridor.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	-	12,768,843	10,323,449	9,323,449
REVENUES				
Federal Grants	-	-	500,000	500,000
State of Minnesota	-	144,906	500,000	500,000
Bond Proceeds	13,520,000	-	-	-
Premium on Bonds	265,258	-	-	-
Earnings on Investments	(21,357)	96,926	-	-
Other Sources	-	34,000	-	500,000
<b>TOTAL REVENUES</b>	<b>13,763,901</b>	<b>275,832</b>	<b>1,000,000</b>	<b>1,500,000</b>
CAPITAL OUTLAY EXPENDITURES				
Capital Improvements	830,173	1,579,544	2,000,000	3,000,000
Land	-	55,158	-	-
Bond Issuance Costs	164,556	-	-	-
Transfer to Debt	329	-	-	-
Transfer to Capital Projects	-	1,086,524	-	-
<b>TOTAL EXPENSES</b>	<b>995,058</b>	<b>2,721,226</b>	<b>2,000,000</b>	<b>3,000,000</b>
FUND BALANCE - DECEMBER 31	12,768,843	10,323,449	9,323,449	7,823,449

# Enterprise Funds

# City of Duluth Minnesota - 2018 Budget

## Golf Fund

503

The Golf enterprise fund accounts for the operation of Enger Park and Lester Park, the City's two municipal 27-hole golf courses. The major source of revenue is composed of user fees from daily admissions, season passes, and concession sales.

Estimated Revenues/Expenses	2015 Actual	2016 Actual	2017 Budget	2018 Approved
REVENUE				
Operating	1,919,763	1,822,938	2,003,089	1,776,028
Non-Operating	11,253	(1,582)	-	-
	1,931,016	1,821,356	2,003,089	1,776,028
EXPENSES				
Personal Services				
Supplies	3,367	-	-	-
Other Services and Charges	1,840,918	1,716,261	1,864,953	1,594,778
Utilities	4,944	-	-	-
Depreciation and Amortization	220,554	104,405	105,405	104,405
Cost of Sales	238,138	247,985	238,412	238,496
Debt Service - Interest	1,094	-	-	-
	2,309,015	2,068,651	2,208,770	1,937,679
ESTIMATED OPERATING INCOME / (LOSS)	(377,999)	(247,295)	(205,681)	(161,651)

# City of Duluth Minnesota - 2018 Budget

## Golf Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2015 Actual	2016 Actual	2017 Budget	2018 Approved
ESTIMATED UNRESTRICTED CASH	<u>(1,607,815)</u>	<u>(1,891,076)</u>	<u>(2,033,966)</u>	<u>(2,134,242)</u>
Estimated Net Income (Loss)	(377,999)	(247,295)	(205,681)	(161,651)
<u>Other Sources</u>				
Depreciation	<u>220,554</u>	<u>104,405</u>	<u>105,405</u>	<u>104,405</u>
Total Other Sources	<u>(157,445)</u>	<u>(142,890)</u>	<u>(100,276)</u>	<u>(57,246)</u>
<u>Other Uses</u>				
Capital Lease Payments	<u>(125,816)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Uses	<u>(125,816)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>ESTIMATED BUDGETARY YEAR END CASH BALANCE</b>	<b>(1,891,076)</b>	<b>(2,033,966)</b>	<b>(2,134,242)</b>	<b>(2,191,488)</b>

# City of Duluth Minnesota - 2018 Budget

## Lester Golf Course

Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES:				
4440 Daily Admission	211,545	166,217	199,946	199,160
4441 Unlimited Season - Golf	159,937	108,368	157,765	126,515
4442 Motor Cart	180,269	176,287	197,771	131,705
4443 Driving Range Fees	28,197	26,280	31,531	26,156
4444 Other Rentals	1,449	2,178	2,500	1,125
4445 Golf Specials/Coupons/Promotions	6,006	958	-	1,565
4627 Concessions & Commissions	205,658	227,261	261,375	209,788
TOTAL OPERATING REVENUES	793,061	707,549	850,888	696,014
NON-OPERATING REVENUES				
4601 Earnings on Investments	-	-	-	-
4639 Loss on Sale of Equipment	-	-	-	-
4644 Misc Fees, Sales & Service	9,225	-	-	-
TOTAL NON-OPERATING REVENUES	9,225	-	-	-
TOTAL REVENUE - LESTER	802,286	707,549	850,888	696,014

# City of Duluth Minnesota - 2018 Budget

## Enger Golf Course

Revenue Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES:					
4440	Daily Admission	320,617	217,009	277,000	270,151
4441	Unlimited Season - Golf	267,790	324,612	277,004	237,272
4442	Motor Cart	209,041	230,744	240,155	205,481
4443	Driving Range Fees	49,029	51,678	60,184	56,702
4444	Other Rentals	1,671	1,795	2,500	1,575
4445	Golf Specials/Coupons/Promotions	9,345	5,462	4,500	8,165
4627	Concessions & Commissions	269,209	284,089	290,858	300,668
TOTAL OPERATING REVENUES		1,126,702	1,115,389	1,152,201	1,080,014
NON-OPERATING REVENUES					
4601	Earnings on Investments	-	-	-	-
4639	Loss on Sale of Equipment	-	(1,582)	-	-
4644	Misc. Fees, Sales & Services, Donator	2,028	-	-	-
TOTAL NON-OPERATING REVENUES		2,028	(1,582)	-	-
TOTAL REVENUE - ENGER		1,128,730	1,113,807	1,152,201	1,080,014

# City of Duluth Minnesota - 2018 Budget

## Lester Golf Course

Operating Expense Detail		2015	2016	2017	2018
		Actual	Actual	Budget	Approved
OTHER EXPENDITURES					
5212	Motor Fuels	3,128	-	-	-
5284	Liquor Purchases	21,171	30,476	29,413	26,397
5285	Food & Beverage for Resale	52,051	36,598	33,933	27,693
5286	Golf Merchandise for Resale	44,914	40,431	51,025	42,005
5310	Contract Services	-	680,423	776,380	617,918
5310	Contract Services	137,896	-	-	-
5310-01	Contract Services-Clubhouse P/R	378,847	-	-	-
5310-02	Contract Services- Maintenance P/R	-	-	-	-
5310-03	Contract Services-Supplies	58,799	-	-	-
5310-04	Contract Services-Maintenance Supplie	130,174	-	-	-
5310-05	Contract Services-Fertilizer	-	-	-	-
5310-06	Contract Services-Other Services/Charg	25,575	-	-	-
5321	Telephone	402	-	-	-
5381	Electricity	940	-	-	-
5385	Oil	2,186	-	-	-
5415	Equipment Rental	40,848	43,056	-	-
5420	Depreciation	104,890	39,713	39,713	39,713
5427	Credit Card Commissions	-	-	-	-
5441	Other Services & Charges	733	-	-	-
5493	Cost Allocation Charges	27,500	-	-	-
5611	Bond Interest	-	-	-	-
5614	Capital Lease Interest	525	-	-	-
5622	Bond Cost Amortization	-	-	-	-
TOTAL - LESTER		1,030,579	870,697	930,464	753,726

# City of Duluth Minnesota - 2018 Budget

## Enger Golf Course

Operating Expense Detail		2015	2016	2017	2018
		Actual	Actual	Budget	Approved
OTHER EXPENDITURES					
5212	Motor Fuels	239	-	-	-
5284	Liquor Purchases	30,639	36,399	36,052	35,651
5285	Food & Beverage for Resale	50,738	47,250	36,730	45,966
5286	Golf Merchandise for Resale	38,625	56,831	51,259	60,784
5310	Contract Services	-	949,732	1,088,573	976,860
5310	Contract Services	179,870	-	-	-
5310-01	Contract Services-Clubhouse P/R	564,321	-	-	-
5310-02	Contract Services- Maintenance P/R	-	-	-	-
5310-03	Contract Services-Supplies	53,994	-	-	-
5310-04	Contract Services-Maintenance Supplie	139,074	-	-	-
5310-05	Contract Services-Fertilizer	-	-	-	-
5310-06	Contract Services-Other Services/Charge	30,499	-	-	-
5321	Telephone	680	-	-	-
5381	Electricity	1,818	-	-	-
5385	Oil	-	-	-	-
5415	Equipment Rental	40,848	43,056	-	-
5420	Depreciation	115,664	64,692	65,692	64,692
5427	Credit Card Commissions	-	-	-	-
5441	Other Services & Charges	3,358	(6)	-	-
5493	Cost Allocation Charges	27,500	-	-	-
5611	Bond Interest	-	-	-	-
5614	Capital Lease Interest	569	-	-	-
5622	Bond Cost Amortization	-	-	-	-
TOTAL - ENGER		1,278,436	1,197,954	1,278,306	1,183,953

# City of Duluth Minnesota - 2018 Budget

## Parking Fund

505

The Parking Fund accounts for all revenues and expenses related to the operation and maintenance of City owned parking ramps, parking lots, and parking meters - both on and off-street.

This enterprise fund was created in 2010 by moving the related expenses and revenues from the City's general fund, and includes the required transfers in from debt service and DEDA.

Estimated Income and Expense	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>REVENUES</b>				
Operating Revenue	4,516,914	4,573,476	4,796,257	4,483,938
Non-Operating	381,509	377,207	385,000	385,000
	<u>4,898,423</u>	<u>4,950,683</u>	<u>5,181,257</u>	<u>4,868,938</u>
<b>EXPENSES</b>				
Personal Services	500,826	544,890	615,200	622,900
Supplies	26,634	28,201	45,000	36,100
Other Services and Charges	1,016,284	1,083,972	1,103,322	1,238,943
Utilities	153,948	168,079	208,610	188,266
Depreciation and Amortization	511,551	546,373	475,900	475,900
Improvements - Non-Capital	97,712	25,407	418,500	550,000
Debt Service - Interest	243,073	233,682	190,900	190,900
Capital Equipment	0	29,125	40,000	40,000
Transfers Out	1,352,700	1,326,700	1,376,700	1,376,700
	<u>3,902,728</u>	<u>3,986,429</u>	<u>4,474,132</u>	<u>4,719,709</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>	<b>995,695</b>	<b>964,254</b>	<b>707,125</b>	<b>149,229</b>
<b>BUDGETED FTE'S</b>				
1100 Parking Manager	1	1	1	0
327 Officer	0	0	0	1
131 Parking Operations Specialist	0	1	1	1
121 Clerical Support Technician	1	1	1	1
24 Parking Ramp Leadworker	1	0	0	0
18 Parking Monitors	5	5	6	6
Division Total	8	8	9	9

# City of Duluth Minnesota - 2018 Budget

## Parking Fund Estimated Budgetary Cash Balance

<u>OPERATING FUND</u>	2017 Projected	2018 Approved
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH	4,288,350	4,306,450
Estimated Operating Income (Loss)	255,000	149,229
<u>Other Sources</u>		
Depreciation	548,100	475,900
Total Other Sources	548,100	475,900
<u>Other Uses</u>		
Bond Principal Payments	785,000	795,000
Total Other Uses	785,000	795,000
<b>ESTIMATED BUDGETARY YEAR END CASH BALANCE</b>	<b>4,306,450</b>	<b>4,136,579</b>

# City of Duluth Minnesota - 2018 Budget

## Parking Fund

505

Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES:				
4371 Parking Meter Revenues	814,068	813,998	815,200	813,200
4373 Transient Parking	966,921	1,065,633	1,016,417	1,048,475
4374 Contract Parking	1,360,249	1,289,477	1,369,930	1,248,753
4170 Miscellaneous Permits	56,560	49,665	57,500	49,110
4472 Administrative Parking Fines	1,226,925	1,230,649	1,437,210	1,209,400
4315 Cost Allocation	-	-	-	15,000
4622 Rent of Buildings	92,074	102,722	100,000	100,000
4654 Other Reimbursements	117	90	-	-
4680 Damage or Losses Recovered	-	21,242	-	-
TOTAL OPERATING REVENUE	4,516,914	4,573,476	4,796,257	4,483,938
NON-OPERATING REVENUES:				
4270 Other Grants	-	-	-	-
4601 Earnings on Investments	(3,603)	(10,050)	-	-
4857 Transfer in from DEDA	385,112	387,257	385,000	385,000
TOTAL NON-OPERATING REVENUES	381,509	377,207	385,000	385,000
TOTAL REVENUE	4,898,423	4,950,683	5,181,257	4,868,938

# City of Duluth Minnesota - 2018 Budget

## Parking Administration

505-015-1479

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	134,375	146,850	147,700	61,500
5101 Permanent Employees - Overtime	3,087	1,961	-	-
TOTAL	<u>137,462</u>	<u>148,811</u>	<u>147,700</u>	<u>61,500</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	10,361	9,628	10,900	4,400
5121 P.E.R.A., GASB 68	5,034	20,526	-	-
5122 F.I.C.A. Social Security	8,275	8,949	9,200	3,800
5123 F.I.C.A. Medicare	1,935	2,093	2,100	900
5125 Dental Insurance	765	744	700	400
5126 Life Insurance	365	324	400	200
5127 Health Care Savings Plan	15,229	1,946	2,000	1,200
5130 Cafeteria Plan Benefits	28,077	26,696	29,200	9,700
TOTAL	<u>70,041</u>	<u>70,906</u>	<u>54,500</u>	<u>20,600</u>
<b>OPERATING EXPENSES</b>				
5219 Other Miscellaneous Supplies	393	1,216	1,000	1,400
5321 Phone Service	240	200	500	400
5331 Travel/Training	5,257	3,555	6,000	4,000
5335 Mileage Reimbursement	41	-	300	100
5441 Other Services and Charges	1,399	3,178	4,000	2,000
5700 Transfer to General Fund	26,000	-	-	-
5700 Transfer to Special Revenue	-	-	-	-
TOTAL	<u>33,330</u>	<u>8,149</u>	<u>11,800</u>	<u>7,900</u>
2512 TOTAL - ADMINISTRATION	240,833	227,866	214,000	90,000

# City of Duluth Minnesota - 2018 Budget

## Technology Village Parking Ramp

505-015-1480-2510

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	10,643	10,643	16,522	10,643
5310 Contract Services	173,803	195,923	174,558	180,850
5319 Other Professional Service	-	-	-	-
5381 Electricity	44,416	47,223	53,500	53,500
5382 Water, Gas & Sewer	3,897	3,878	4,410	5,530
5384 Refuse Disposal	1,260	965	2,000	2,400
5386 Steam	13,164	16,805	18,600	19,400
5404 Equipment Maintenance/Repair	0	0	5,000	3,000
5405 Parking Lot Maintenance	25,325	9,145	42,000	80,000
5420 Depreciation	181,961	192,214	171,700	171,700
5441 Other Services and Charges	1,346	364	-	-
5450 Laundry	1,348	-	-	-
5493 Cost Allocation	4,700	4,700	21,235	27,280
5580 Capital Equipment	205,066	-	-	-
5611 Bond Interest	743	-	700	700
5620 Fiscal Agents Fees	88	-	-	-
TOTAL	667,760	481,860	510,225	555,003
2510 TOTAL - TECHNOLOGY CENTER RAMP	667,760	481,860	510,225	555,003

# City of Duluth Minnesota - 2018 Budget

## HART District Parking Ramp

505-015-1480-2511

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	12,814	12,814	17,308	12,814
5310 Contract Services	258,739	264,686	240,100	272,162
5381 Electricity	11,585	15,732	17,200	17,200
5382 Water, Gas & Sewer	2,471	2,594	7,200	7,200
5404 Equipment Maintenance/Repair	-	-	5,000	5,000
5405 Parking Lot Maintenance	13,590	7,091	190,000	40,000
5420 Depreciation	48,852	58,674	39,800	39,800
5441 Other Services and Charges	1,112	-	-	-
5493 Cost Allocation	4,700	4,700	21,235	27,280
5580 Capital Equipment	181,710	7,000	-	-
5611 Bond Interest	60	-	100	100
5620 Fiscal Agent Fees	88	-	-	-
TOTAL	<u>535,721</u>	<u>373,291</u>	<u>537,943</u>	<u>421,556</u>
2511 TOTAL - E SUPERIOR ST PARKING RAMP	535,721	373,291	537,943	421,556

# City of Duluth Minnesota - 2018 Budget

## Medical District Parking Ramp

505-015-1480-2512

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	10,714	10,714	16,633	12,814
5310 Contract Services	172,770	163,200	174,600	174,600
5381 Electricity	50,620	51,194	57,100	52,100
5382 Water, Gas & Sewer	22,413	19,417	29,200	25,212
5404 Equipment Maintenance/Repair	200	605	5,000	3,000
5405 Parking Lot Maintenance	53,759	6,771	12,500	140,000
5420 Depreciation	238,381	249,749	227,000	227,000
5441 Other Services and Charges	2,459	707	-	-
5481 Property Taxes	6,026	3,798	3,500	3,500
5493 Cost Allocation	4,700	4,700	21,235	27,280
5580 Capital Equipment	227,323	-	-	-
5611 Bond Interst	242,270	233,682	190,100	190,100
5620 Fiscal Agents Fees	525	500	-	-
TOTAL	1,032,160	745,037	736,868	855,606
2512 TOTAL - MEDICAL DISTRICT PARKING RAMP	1,032,160	745,037	736,868	855,606

# City of Duluth Minnesota - 2018 Budget

## Municipal Lots

505-015-1480-2513

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	4,814	4,814	6,000	6,000
5310 Contract Services	132,578	192,001	149,826	218,510
5381 Electricity	5,382	6,259	9,400	8,124
5382 Water, Gas & Sewer	-	4,977	12,000	-
5405 Parking Lot Maintenance	5,038	2,400	174,000	290,000
5420 Depreciation	32,161	32,628	32,200	32,200
5493 Cost Allocation	4,600	4,600	21,235	27,280
5580 Capital Equipment	-	9,348	-	-
TOTAL	184,573	257,027	404,661	582,114
2513 TOTAL - LIBRARY & CONEY ISLAND PARKING RAMPS	184,573	257,027	404,661	582,114

# City of Duluth Minnesota - 2018 Budget

## On Street Parking & Enforcement

505-015-1481

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	196,067	228,591	270,200	352,800
5101 Permanent Employees - Overtime	73	482	-	-
TOTAL	<u>196,140</u>	<u>229,073</u>	<u>270,200</u>	<u>352,800</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	13,959	15,546	19,000	31,800
5122 F.I.C.A. Social Security	11,698	13,823	16,800	17,300
5123 F.I.C.A. Medicare	2,736	3,233	3,900	5,100
5125 Dental Insurance	1,922	2,201	2,600	3,000
5126 Life Insurance	930	959	1,300	1,400
5127 Health Care Savings Plan	1,497	3,243	5,400	13,000
5130 Cafeteria Plan Benefits	64,441	57,005	93,800	116,400
5133 Health or Fitness Program	-	90	-	-
TOTAL	<u>97,183</u>	<u>96,100</u>	<u>142,800</u>	<u>188,000</u>
OPERATING EXPENSES				
5200 Office Supplies	531	969	1,000	1,000
5212 Motor Fuels	1,517	1,728	3,000	2,700
5218 Uniforms	1,298	4,112	3,000	5,000
5219 Other Miscellaneous Supplies	3,161	3,284	2,000	6,000
5241 Small Equipment	19,734	16,892	35,000	20,000
5306 Collection Services	26,560	19,981	-	20,000
5310 Contract Services	155,379	153,538	160,000	160,000
5355 Printing & Copying Services	1,242	1,242	500	350
5356 Copier, Printer Lease & Supplies	60	62	800	200
5409 Fleet Service Charges	4,114	9,005	6,000	6,000
5414 Software Lic & Mtc Agreements	1,116	700	-	1,700
5420 Depreciation	10,196	13,108	5,200	5,200
5427 Credit Card Commissions	5,646	5,616	-	-
5441 Other Services and Charges	603	1,861	3,000	2,500
5493 Cost Allocation	4,600	4,600	21,235	27,280
5580 Capital Equipment	0	29,125	40,000	40,000
5700 Transfer to General Fund	1,326,700	1,326,700	1,376,700	1,376,700
5700 Transfer to Special Revenue Funds	-	-	-	-
TOTAL	<u>1,562,457</u>	<u>1,592,523</u>	<u>1,657,435</u>	<u>1,674,630</u>
2512 TOTAL - METERS & ENFORCEMENT	1,855,780	1,917,696	2,070,435	2,215,430

# City of Duluth Minnesota - 2018 Budget

## 410 West First Street Parking Facility Fund

506

The 410 West First Street Parking Facility Fund accounts for the construction, operation, and maintenance of the parking ramp located at 410 West First Street. The parking facility was under construction in 2014, 2015 and 2016. It became operational in May, 2016.

Estimated Income and Expense	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>REVENUES</b>				
Operating Revenue	-	339,417	460,781	494,198
Non-Operating	5,159,785	(319)	314,440	450,535
	<u>5,159,785</u>	<u>339,098</u>	<u>775,221</u>	<u>944,733</u>
<b>OPERATING EXPENSES</b>				
Contract Services	-	75,414	143,400	134,235
Other Services and Charges	-	-	2,000	2,000
Electricity	-	17,916	35,000	35,100
Parking Lot Maintenance	-	-	-	50,000
Equipment/Machinery Repair & Maintenance	-	-	-	5,000
Cost Allocation	-	-	49,000	37,500
Depreciation - funded	-	-	50,000	50,000
Depreciation - unfunded	-	347,047	470,572	470,572
Debt Service - Interest	-	68,200	374,281	374,001
	<u>-</u>	<u>508,577</u>	<u>1,124,253</u>	<u>1,158,408</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>	<b>5,159,785</b>	<b>(169,479)</b>	<b>(349,032)</b>	<b>(213,675)</b>

# City of Duluth Minnesota - 2018 Budget

## 410 West First Street Parking Facility Fund Estimated Budgetary Cash Balance

506

	2017 Projected	2018 Approved
<b><u>OPERATING FUND</u></b>		
ESTIMATED UNRESTRICTED CASH	162,729	232,254
Estimated Operating Income (Loss)	(349,032)	(213,675)
<u>Other Sources</u>		
Unfunded Depreciation	470,572	470,572
Total Other Sources	470,572	470,572
<u>Other Uses</u>		
Bond Principal Payment	(52,015)	(256,897)
Total Other Uses	(52,015)	(256,897)
	232,254	232,254
<b>ESTIMATED BUDGETARY YEAR END CASH BALANCE</b>		

# City of Duluth Minnesota - 2018 Budget

## 410 West First Street Parking Facility Fund

506

Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES:				
4373 Transient Parking	-	35,835	49,054	39,274
4374 Contract Parking	-	303,582	411,727	454,924
TOTAL OPERATING REVENUE	-	339,417	460,781	494,198
NON-OPERATING REVENUES:				
4220-01 State of Minnesota Capital Grant	5,153,236	-	-	-
4601 Earnings on Investments	6,549	(319)	-	-
4730-30 Interfund Transfers in from Debt Service	-	-	314,440	450,535
TOTAL NON-OPERATING REVENUES	5,159,785	(319)	314,440	450,535
TOTAL REVENUE	5,159,785	339,098	775,221	944,733

# City of Duluth Minnesota - 2018 Budget

## 410 West First Street Parking Facility Fund

506

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES				
5307 Admin/Management Fees	-	9,600	14,400	14,400
5310 Contract Services	-	64,694	129,000	119,835
5319 Other Professional Service	-	1,120	-	-
5381 Electricity	-	17,916	35,000	35,100
5404 Equipment Maintenance/Repair	-	-	-	5,000
5405 Parking Lot Maintenance	-	-	-	50,000
5420 Depreciation - funded	-	-	50,000	50,000
5420 Depreciation - unfunded	-	347,047	470,572	470,572
5441 Other Services and Charges	-	-	2,000	2,000
5493 Cost Allocation	-	-	49,000	37,500
5611 Bond Interest	-	68,200	374,281	374,001
TOTAL	-	508,577	1,124,253	1,158,408
2510 TOTAL - 410 WEST FIRST STREET PARKING FACILITY	-	508,577	1,124,253	1,158,408

# City of Duluth Minnesota – 2018 Budget

## Public Works & Utilities Department – Utilities

### Mission and Vision

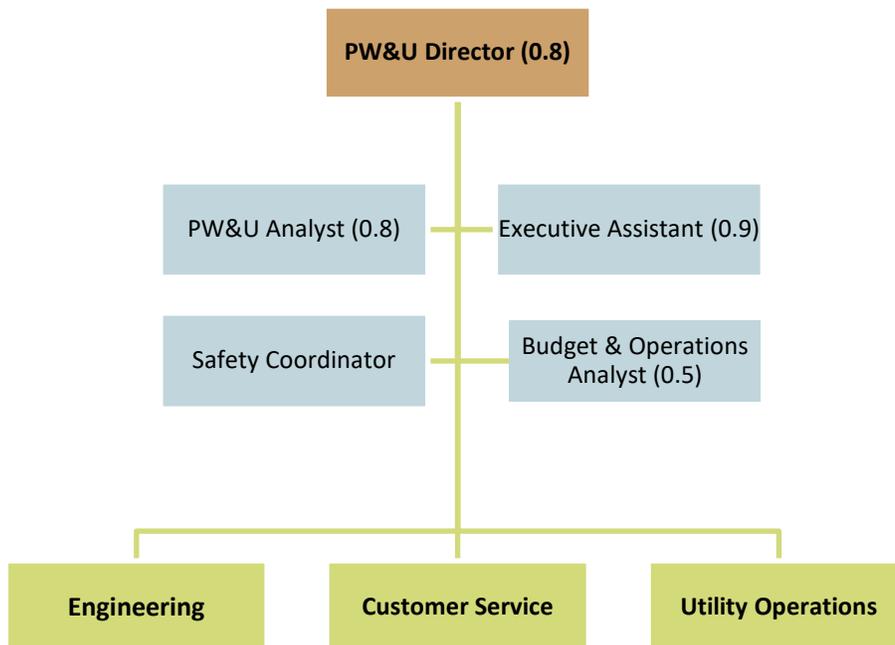
The mission of the Public Works and Utilities Department is to provide; professional engineering services, street maintenance activities, and water, natural gas, sanitary sewer, storm water, and street lighting utilities to Duluth's businesses and residents in a safe, cost-effective and environmentally sound manner.

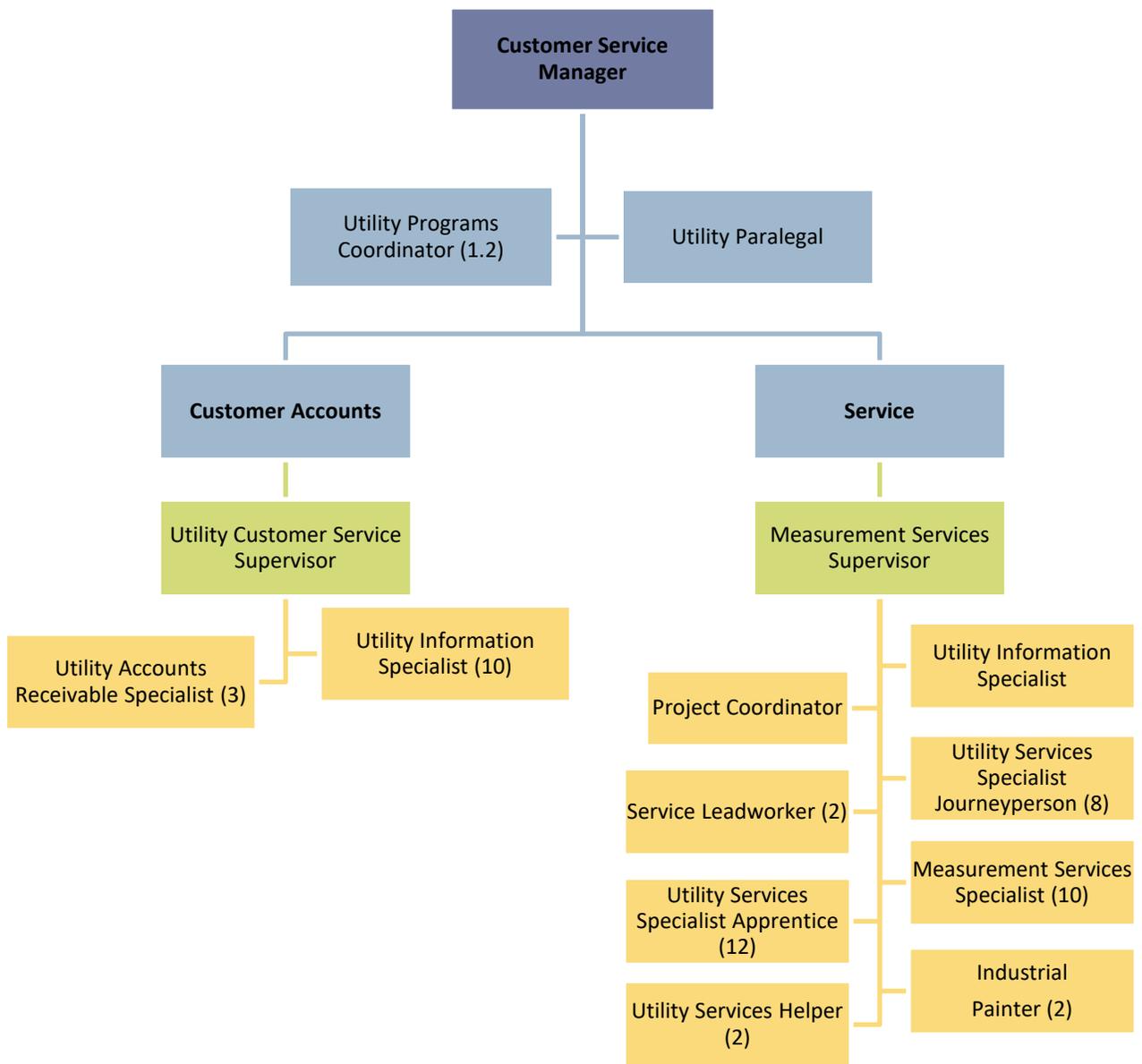
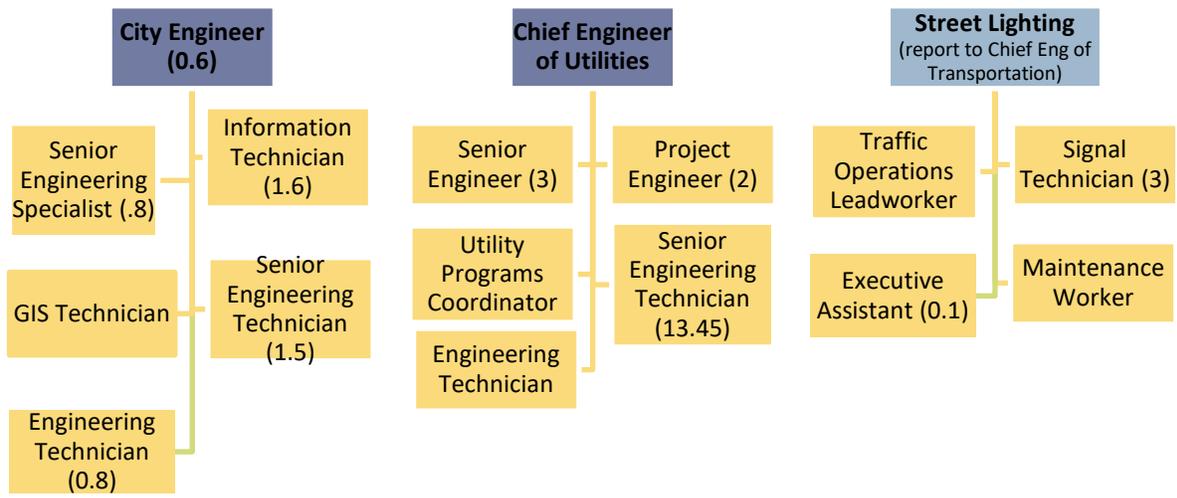
The Department's vision is to become a functionally integrated organization operating at optimum efficiencies and providing cost-effective and reliable service for all Duluthians.

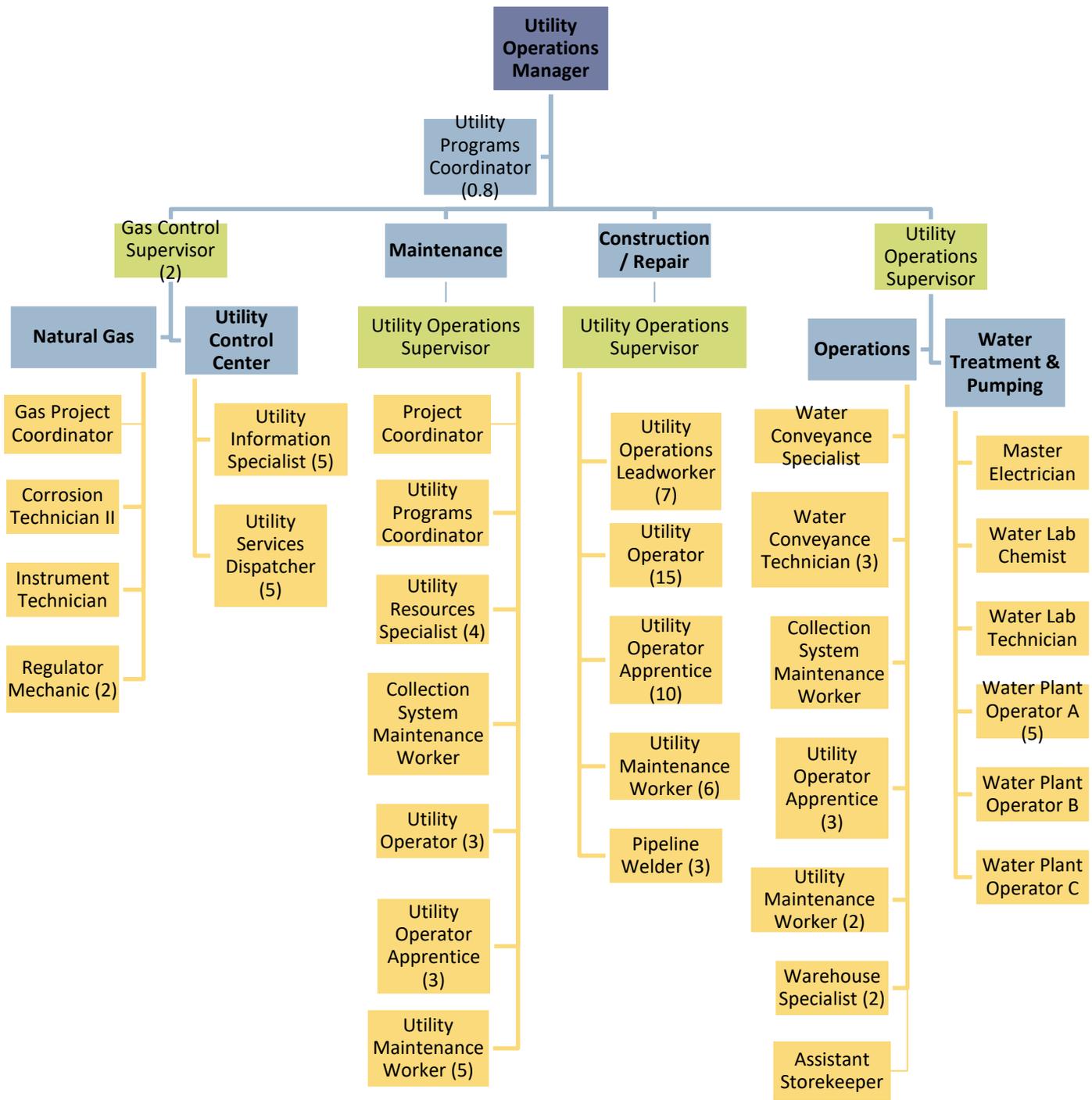
### Structure

The utilities portion of the Public Works and Utilities Department is broken into three separate divisions that span across five different utility funds: Water, Gas, Sewer, Stormwater and Street Lighting. The Street Lighting Utility is managed by the Chief Engineer of Transportation.

### Public Works & Utilities Department – Utilities Organization Charts







# City of Duluth Minnesota - 2018 Budget

## Public Works Department - Goals and Objectives

### Water Fund - Enterprise Fund

**Goal:** Prolong the life of aging water utility systems.

**Objective:** Decrease the number of water main breaks, conserve water, and keep water rates reasonable.

**Strategy:** 1. Replace water mains with worst break history.

2. Use corrosion resistant plastic pipe when practical.

3. Use predictive modeling to schedule replacement of water mains before they become a problem.

**Measurements and Performance:**

Number of water main breaks

2016 Actual	2017 Target	2017 Actual	2018 Target	2019 Target
126	130	124	130	120

### Gas Fund - Enterprise Fund

**Goal:** Provide affordable heat to Duluth residents and reduce greenhouse gases.

**Objective:** Provide this utility to as many Duluth customers as possible.

**Strategy:** 1. Extend gas mains and install new natural gas services.

2. Use corrosion resistant plastic pipe when practical.

3. Use predictive modeling to schedule replacement of gas mains before they become a problem.

**Measurements and Performance:**

Number of new natural gas services installed

2016 Actual	2017 Target	2017 Actual	2018 Target	2019 Target
153	165	185	170	125

### Street Lighting Fund - Enterprise Fund

**Goal:** Provide a reliable street lighting system and reduce electrical consumption.

**Objective:** Increase service life of street lights while decreasing energy consumption.

**Strategy:** 1. Systematically replace all non-decorative street lights with LED luminaires using state bid purchasing.

2. Integrate lighting system utilizing ethernet communications.

**Measurements and Performance:**

Percent of non-decorative city owned street lights retrofitted

2016 Actual	2017 Target	2017 Actual	2018 Target	2019 Target
85%	100%	100%	N/A	N/A

Percent of lighting communication and controls installed

2016 Actual	2017 Target	2017 Actual	2018 Target	2019 Target
0%	50%	50%	100%	N/A

# City of Duluth Minnesota - 2018 Budget

## Divisions

Director's Office  
 Capital  
 General Expense  
 Engineering  
 Customer Services  
 Utility Operations  
 Water Treatment/Pumping  
 Natural Gas  
 Wastewater Treatment  
 Inflow & Infiltration  
 Street Lighting

## **Public Works & Utilities - Utilities**

The Department of Public Works & Utilities represents five municipally owned utilities budgeted as the Water Fund, Gas Fund, Sewer Fund, Stormwater Fund and Street Lighting Fund. The Public Works budget is presented in the General Fund.

## **Mission and Core Services**

To provide water, gas, sewer, stormwater and street lighting services to customers at the lowest possible cost consistent with maintaining the department as a continuing, self-sustaining operation.

	2015	2016	2017	2018	Difference
Budgeted FTE's	197.55	197.35	198.85	197.65	(1.20)
Expenditures	2015 Actual	2016 Actual	2017 Budget	2018 Approved	Difference
Salaries and Benefits	17,490,328	18,589,996	20,097,600	20,976,600	879,000
Supplies	21,766,571	19,314,647	24,413,700	24,842,400	428,700
Other Services & Charges	18,719,447	17,294,572	17,467,100	17,725,000	257,900
Utilities	2,077,365	2,080,735	2,130,800	2,218,100	87,300
Depreciation/Amortization	5,642,220	5,676,567	6,209,400	6,368,200	158,800
Grants & Awards	433,946	276,262	520,000	440,000	(80,000)
Improvements -Non-Capital	536,758	545,372	325,000	327,500	2,500
Debt Service - Interest	786,278	591,086	530,600	523,900	(6,700)
Debt Service - Other	(25,058)	(30,358)	(26,100)	(24,800)	1,300
Capital Lease Interest	234,786	211,951	198,100	173,900	(24,200)
Reimbursed Project Costs	-	480,350	-	-	-
Total Operating	67,662,641	65,031,180	71,866,200	73,570,800	1,704,600
Non-Operating	14,934,084	12,808,427	10,676,600	13,155,500	2,478,900
Total Appropriation Budget	<b>82,596,725</b>	<b>77,839,607</b>	<b>82,542,800</b>	<b>86,726,300</b>	<b>4,183,500</b>

# City of Duluth Minnesota - 2018 Budget

## Utilities - Personnel Summary

		2015 Budget	2016 Budget	2017 Budget	2018 Approved
1165	Director of Public Works & Utilities	0.80	0.80	0.80	0.80
1140	City Engineer	0.60	0.60	0.60	0.60
1130	Chief Engineer - Utilities	1.00	1.00	1.00	1.00
1115-1130	Manager, Customer Service	1.00	1.00	1.00	1.00
1115-1130	Manager, Utility Operations	1.00	1.00	1.00	1.00
1110	Senior Engineer	0.00	0.00	0.00	3.00
1095	Chief Gas Controller	2.00	2.00	2.00	2.00
1090	Measurement Services Supervisor	1.00	1.00	1.00	1.00
1080-1095	Utility Operations Supervisor	3.00	3.00	3.00	3.00
1075	Water Plant Supervisor	1.00	0.00	0.00	0.00
1055-1085	Customer Relations Supervisor	1.00	1.00	1.00	1.00
136	Financial Analyst	1.00	0.00	0.00	0.00
133	Budget & Operations Analyst	0.00	0.00	0.50	0.50
133	GIS Specialist	0.00	2.00	0.00	0.00
133	Safety Coordinator	1.00	1.00	1.00	1.00
133	Utility Paralegal	1.00	1.00	1.00	1.00
132	Utility Accounts Receivable Specialist	3.00	3.00	3.00	3.00
130	GIS Technician	0.00	0.00	1.00	1.00
129	Administrative Information Specialist	2.00	2.00	0.00	0.00
129	Utilities Information Specialist	0.00	0.00	16.00	16.00
126	Information Technician	16.50	15.40	2.40	2.60
122	Janitor II	0.00	0.00	0.00	1.00
121	Janitor I	0.00	0.00	1.00	0.00
39	Senior Project Engineer	2.00	2.00	1.00	0.00
36	Project Engineer	2.00	3.00	4.00	1.00
34	Senior Engineering Specialist	0.80	0.80	0.80	0.80
33	Public Works and Utilities Analyst	0.80	1.80	0.80	0.80
33	Utility Programs Coordinator	5.00	4.00	4.00	4.00
32	Corrosion Technician II	0.00	1.00	1.00	1.00
32	Project Coordinator	1.00	1.00	2.00	3.00
32	Traffic Operations Leadworker	1.00	1.00	1.00	1.00
32	Utility Operations Leadworker	7.00	7.00	7.00	7.00
32	Customer Service Leadworker	2.00	2.00	2.00	2.00
32	Water Lab Chemist	1.00	1.00	1.00	1.00
31	Master Electrician	1.00	1.00	1.00	1.00
31	Pipeline Welder	3.00	3.00	3.00	3.00
31	Senior Engineering Technician	10.45	12.45	12.95	13.55
31	Utility Resources Specialist	4.00	4.00	4.00	4.00
31	Water Conveyance Specialist	0.00	0.00	1.00	1.00
31	Water Plant Operator A	5.00	5.00	5.00	5.00
30	Appliance Mechanic Apprentice	2.00	0.00	0.00	0.00
30	Appliance Mechanic Journeyman	9.00	0.00	0.00	0.00

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Utilities - Personnel Summary

		2015 Budget	2016 Budget	2017 Budget	2018 Approved
<b>Utilities - Personnel Summary - continued</b>					
30	Instrument Technician	1.00	1.00	1.00	1.00
30	Signal Technician	3.00	3.00	3.00	3.00
30	Utility Services Specialist Journeyperson	0.00	12.00	8.00	8.00
30	Warehouse Specialist	3.00	3.00	2.00	2.00
29	Corrosion Technician I	1.00	0.00	0.00	0.00
29	Gas Fitter	3.00	0.00	0.00	0.00
29	Industrial Painter	2.00	2.00	2.00	2.00
29	Lift Station Operator	2.00	2.00	0.00	0.00
29	Measurement Services Specialist	0.00	9.00	12.00	10.00
29	Meter Mechanic	1.00	0.00	0.00	0.00
29	Regulator Mechanic	2.00	2.00	2.00	2.00
29	Water Conveyance Technician	2.00	2.00	3.00	3.00
28	Collection System Maintenance Worker	4.00	4.00	2.00	2.00
28	Engineering Technician	7.50	3.50	3.00	3.00
28	Utility Operator	18.00	18.00	19.00	29.00
28	Utility Operator Apprentice	16.00	16.00	16.00	7.00
28	Utility Service Journeyperson	6.00	0.00	0.00	0.00
28	Utility Services Specialist Apprentice	9.00	9.00	12.00	12.00
28	Water Plant Operator B	1.00	1.00	1.00	1.00
27	Water Lab Technician	1.00	1.00	1.00	1.00
26	Utility Services Dispatcher	5.00	5.00	5.00	5.00
24	Assistant Storekeeper	0.00	0.00	1.00	1.00
24	Water Plant Operator C	1.00	1.00	1.00	0.00
24	Water Plant Operator D	0.00	0.00	0.00	1.00
23	Utility Maintenance Worker	12.00	13.00	13.00	10.00
22	Maintenance Worker	1.00	1.00	2.00	2.00
22	Meter Reader	2.00	2.00	0.00	0.00
16	Utility Services Helper	0.00	0.00	0.00	2.00
9	Executive Assistant	0.10	1.00	1.00	1.00
<b>DEPARTMENT TOTAL</b>		<b>197.55</b>	<b>197.35</b>	<b>198.85</b>	<b>197.65</b>

# City of Duluth Minnesota - 2018 Budget

## Water Fund

510

The Water Fund is a self-supporting enterprise fund which accounts for the collection, treatment, and distribution of water to the citizens of Duluth. The major funding source is water sales, representing 98% of total revenues for 2018. The most significant category of expense is personal services at 49% of total proposed expenses.

Presented below is a summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>REVENUE</b>				
Operating	14,435,413	14,488,755	15,083,400	15,355,000
Non-Operating	316,728	186,151	169,500	165,600
	<u>14,752,141</u>	<u>14,674,906</u>	<u>15,252,900</u>	<u>15,520,600</u>
<b>EXPENSES</b>				
Personal Services	5,095,803	5,371,931	5,989,900	6,140,800
Supplies	1,152,447	1,201,640	1,406,900	1,359,200
Other Services & Charges	1,230,938	1,271,766	1,248,100	1,239,000
Utilities	1,246,465	1,242,537	1,261,300	1,322,800
Depreciation/Amortization	1,709,521	1,776,832	1,921,100	1,996,800
Improvements -Non-Capital	41,515	99,107	-	22,500
Debt Service - Interest	176,270	141,514	127,700	204,700
Debt Service - Other	(2,896)	(4,742)	(4,700)	(4,500)
Capital Lease Interest	84,523	76,302	71,300	62,600
Transfers	174,513	179,386	244,700	219,600
	<u>10,909,099</u>	<u>11,356,273</u>	<u>12,266,300</u>	<u>12,563,500</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>				
	3,843,042	3,318,633	2,986,600	2,957,100
Other Sources of Cash	1,430,023	2,663,159	1,916,400	1,992,300
Other Uses of Cash	(5,289,367)	(6,465,743)	(4,521,400)	(3,027,300)
Increase (Decrease) in Cash	<u>(16,302)</u>	<u>(483,951)</u>	<u>381,600</u>	<u>1,922,100</u>

# City of Duluth Minnesota - 2018 Budget

## Water Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2017 Budget	2017 Projected	2018 Approved
ESTIMATED OPERATING INCOME (LOSS)	2,986,600	2,733,500	2,957,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,921,100	1,861,500	1,996,800
Interest from Bond Discount	(4,700)	(4,700)	(4,500)
PERA Retirement, GASB 68	-	190,400	-
Other Post Employment Benefits	-	-	-
Due from Other Funds	-	135,400	-
Special Assessment Principal	-	14,400	-
Total Other Sources of Cash	1,916,400	2,197,000	1,992,300
<u>Other Uses of Cash</u>			
Due to Other Funds	-	29,780	-
Interfund Loan Payable	-	855,033	-
Capital Improvements from Current Revenues	2,344,000	2,327,000	970,000
Capital Equipment Purchases	439,800	446,600	385,800
Bond Principal Payments	1,509,500	1,406,500	1,434,700
AMR Lease Principal Payments	228,100	228,100	236,800
Total Other Uses of Cash	4,521,400	5,293,013	3,027,300
INCREASE (DECREASE) IN CASH	381,600	(362,513)	1,922,100
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	512,510	-	(362,513)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	894,110	(362,513)	1,559,587

# City of Duluth Minnesota - 2018 Budget

## Water Fund

510

Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES:				
4636 Sale of Scrap	14,952	3,866	12,000	12,000
4680 Damage or Losses Recovered	2,253	1,363	-	-
4800 Meter Repair	37,796	25,128	25,000	25,000
4801 Off/On Charge	23,984	23,223	26,000	25,000
4802 Interest - Customer Accounts	44,903	41,697	44,000	48,000
4805 Reimbursements	8,825	22,445	3,000	5,000
4809 Miscellaneous Operating	19,931	12,973	15,000	15,000
4810 Metered Water Sales	10,619,858	10,689,813	11,218,000	11,502,000
4811 Water for Resale	1,258,161	1,259,757	1,325,900	1,315,000
4831 Fixed Rate Charges	2,397,906	2,400,981	2,409,500	2,403,000
4851 Interest Income	6,844	7,509	5,000	5,000
<b>TOTAL OPERATING REVENUES</b>	<b>14,435,413</b>	<b>14,488,755</b>	<b>15,083,400</b>	<b>15,355,000</b>
NON-OPERATING REVENUES:				
4220 State of Minnesota Operating	-	2,335	-	-
4230 Pera Aid	16,919	16,919	16,900	16,900
4601 Change in Fair Value Investments	4,640	5,640	-	-
4806 Connection Fees	15,426	12,050	7,000	11,000
4853 Gain on Sale of Assets	14,847	(4,390)	2,000	2,000
4854 Utility Assessment	146,039	(3)	3,000	3,000
4730 Tranfers from Special Revenue Funds	97,537	135,000	122,000	123,400
4730 Tranfers from Enterprise Funds	21,320	18,600	18,600	9,300
<b>TOTAL NON-OPERATING REVENUES</b>	<b>316,728</b>	<b>186,151</b>	<b>169,500</b>	<b>165,600</b>
<b>TOTAL REVENUE</b>	<b>14,752,141</b>	<b>14,674,906</b>	<b>15,252,900</b>	<b>15,520,600</b>

# City of Duluth Minnesota - 2018 Budget

## Director's Office

510-500-1900

The Director's Office provides leadership and management for the Public Works and Utilities Department.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	50,897	54,036	54,800	63,000
5101 Permanent Employees - Overtime	510	496	500	500
TOTAL	<u>51,407</u>	<u>54,532</u>	<u>55,300</u>	<u>63,500</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	3,706	3,881	4,000	4,600
5122 F.I.C.A. Social Security	2,969	3,184	3,400	3,900
5123 F.I.C.A. Medicare	744	792	800	900
5125 Dental Insurance	223	223	200	300
5126 Life Insurance	108	97	100	100
5127 Health Care Savings	1,430	1,483	500	700
5130 Cafeteria Plan Benefits	5,018	3,291	5,200	6,100
TOTAL	<u>14,198</u>	<u>12,951</u>	<u>14,200</u>	<u>16,600</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	-	70	100	100
5205 Safety & Training Materials	110	-	-	-
5241 Small Equipment	-	-	100	500
5321 Telephone	120	120	100	100
5331 Training Expense	-	1,167	300	200
5335 Mileage Reimbursement - Local	201	289	200	200
TOTAL	<u>431</u>	<u>1,646</u>	<u>800</u>	<u>1,100</u>
1900 TOTAL - DIRECTOR'S OFFICE	66,036	69,129	70,300	81,200

# City of Duluth Minnesota - 2018 Budget

## Capital

510-500-1905

Capital expenditures support the infrastructure required to provide a safe and adequate supply of water to Duluth residents and neighboring communities. This includes costs for depreciation and debt service.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES				
5420 Depreciation	1,709,521	1,776,832	1,921,100	1,996,800
5441 Other Services & Charges	62	19	-	-
5535 Improvements (Non-Capital)	41,515	99,107	-	22,500
5540 Equipment (Non-Capital)	10,210	19,562	-	-
5611 Bond Interest	176,270	141,514	127,700	204,700
5613 Interest from Bond Amortization	(2,896)	(4,742)	(4,700)	(4,500)
5614 Capital Lease Interest	84,523	76,302	71,300	62,600
5620 Fiscal Agents Fee	525	726	900	500
5621 Bond Issuance/Discount Fees	10,803	-	-	-
TOTAL	<u>2,030,533</u>	<u>2,109,320</u>	<u>2,116,300</u>	<u>2,282,600</u>
NON-OPERATING EXPENSES				
5532 Capital Improvements - Bonds	4,294	-	-	3,550,000
5533 Capital Improvements - Revenue Financing	2,905,083	3,981,068	2,344,000	970,000
5580 Capital Equipment	280,015	338,839	439,800	385,800
TOTAL	<u>3,189,392</u>	<u>4,319,907</u>	<u>2,783,800</u>	<u>4,905,800</u>
1905 TOTAL - CAPITAL	5,219,925	6,429,227	4,900,100	7,188,400

# City of Duluth Minnesota - 2018 Budget

## Utility General Expense

510-500-1915

General expenses represent normal and routine department operating expenses that can be allocated to each utility fund. Examples include costs for safety and training, insurance and utilities.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	11,309	12,765	16,800	39,000
5101 Permanent Employees - Overtime	-	14	-	-
TOTAL	<u>11,309</u>	<u>12,779</u>	<u>16,800</u>	<u>39,000</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	894	858	1,300	2,800
5121 P.E.R.A., GASB 68	51,761	190,447	-	-
5122 F.I.C.A. Social Security	590	771	1,000	2,400
5123 F.I.C.A. Medicare	138	180	200	600
5125 Dental Insurance	87	72	100	300
5126 Life Insurance	4,889	4,676	-	100
5127 Health Care Savings	115	110	200	600
5130 Cafeteria Plan Benefits	4,290	3,594	5,000	10,400
5134 Other Post Retirement Benefits	(466,690)	(416,661)	-	-
5134 Other Post Retirement Transfer	104,000	68,000	-	-
5135 Retiree Health Insurance	533,931	520,370	535,500	607,800
5151 Worker's Compensation	38,300	44,800	52,500	48,700
TOTAL	<u>272,305</u>	<u>417,217</u>	<u>595,800</u>	<u>673,700</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	-	-	100	100
5201 Computer Supplies/Software	14,313	173	-	-
5205 Safety & Training	484	302	900	900
5211 Cleaning & Janitorial Supplies	3,129	4,365	3,000	3,500
5212 Motor Fuels	-	147	200	-
5218 Uniforms	-	55	-	100
5219 Other Miscellaneous Supplies	182	121	-	-
5241 Small Equipment	1,011	1,863	1,400	2,000
5301 Auditing Services	809	3,886	1,000	1,300
5305 Medical Services/Testing Fees	2,741	3,539	2,700	3,000
5310 Contract Services	6,156	3,099	-	-
5319 Other Professional Services	-	1,232	-	-
5320 Data Services	17,288	19,755	18,900	21,100
5321 Telephone	6,480	4,602	4,400	4,400
5331 Training Expense	2,611	2,737	2,800	2,800
5333 Freight/Delivery Charges	1,444	975	-	-
5335 Mileage Reimbursement - Local	-	-	-	300

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Utility General Expense

510-500-1915

General expenses represent normal and routine department operating expenses that can be allocated to each utility fund. Examples include costs for safety and training, insurance and utilities.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5355 Printing & Copying Services	87	-	-	-
5356 Copier, Printer Lease & Supplies	6,060	7,303	6,800	6,800
5360 Insurance	113,800	95,500	53,300	32,800
5381 Electricity	15,896	11,770	12,700	13,500
5382 Water, Gas & Sewer	18,372	18,132	19,500	18,200
5384 Refuse Disposal	3,065	3,507	3,100	3,800
5401 Building Repair & Maintenance	11,101	11,607	32,500	43,500
5404 Equipment Repair & Maintenance	3,423	3,750	5,000	1,000
5409 Fleet Services Charges	15	203	200	-
5414 Software Lic & Mtc Agreements	32,631	42,080	35,300	47,900
5438 Licenses	-	28	-	-
5441 Other Services & Charges	6,922	9,782	15,100	4,000
5450 Laundry	1,515	1,048	1,400	1,400
5457 Hydrant Maintenance	30,000	30,000	30,000	30,000
5493 Cost Allocation	385,300	385,300	332,000	331,000
5700 Transfer to General Fund	60,200	59,044	78,700	53,600
TOTAL	<u>745,035</u>	<u>725,905</u>	<u>661,000</u>	<u>627,000</u>
1915 TOTAL - GENERAL EXPENSE	1,028,649	1,155,901	1,273,600	1,339,700

# City of Duluth Minnesota - 2018 Budget

## Engineering

510-500-1930

Engineering provides engineering services including design, inspection and construction locates for the water distribution system.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	354,725	327,534	356,300	359,900
5101 Permanent Employees - Overtime	33,312	40,940	30,000	30,000
5103 Temporary Wages	3,277	3,793	7,300	2,000
5111 Long-Term Disability Wages	-	47	-	-
5118 Meal Allowance	443	944	200	800
TOTAL	<u>391,757</u>	<u>373,258</u>	<u>393,800</u>	<u>392,700</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	28,547	27,195	28,500	28,700
5122 F.I.C.A. Social Security	23,548	22,711	24,400	24,300
5123 F.I.C.A. Medicare	5,508	5,312	5,700	5,700
5125 Dental Insurance	2,053	1,874	2,100	2,100
5126 Life Insurance	993	815	1,000	1,000
5127 Health Care Savings	6,850	6,853	7,400	6,200
5130 Cafeteria Plan Benefits	81,935	75,804	93,600	94,900
5133 Health or Fitness Program	-	128	-	-
TOTAL	<u>149,434</u>	<u>140,692</u>	<u>162,700</u>	<u>162,900</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	635	755	600	600
5201 Computer Supplies	622	157	200	200
5203 Paper, Stationery and Forms	188	159	400	400
5205 Safety and Training Materials	123	209	300	300
5212 Motor Fuel	3,066	2,650	5,000	3,000
5218 Uniforms	31	434	400	400
5219 Other Miscellaneous Supplies	50	265	-	-
5240 Small Tools	549	158	800	1,000
5241 Small Equipment	717	6,892	2,100	4,000
5242 Survey Equipment and Supplies	1,697	5,224	5,500	7,500
5303 Engineering Services	944	72,374	-	-
5320 Data Services	1,028	1,660	1,700	1,500
5321 Telephone	1,706	1,548	1,600	1,300

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Engineering

510-500-1930

Engineering provides engineering services including design, inspection and construction locates for the water distribution system.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5322 Postage	7	26	100	100
5331 Training Expenses	1,002	1,440	4,000	7,500
5335 Mileage Reimbursement	198	-	300	300
5355 Printing and Copying	737	600	600	600
5356 Copier, Printer Lease & Supplies	1,604	249	600	600
5404 Equipment Maintenance Repair	600	208	900	1,100
5409 Fleet Services	4,598	6,322	3,500	4,700
5414 Software Lic & Mtc Agreements	8,681	18,218	8,900	12,800
5433 Dues and Subscriptions	172	792	1,000	1,000
5435 Books and Pamphlets	-	45	200	-
5438 Licenses	-	73	-	100
5441 Other Services and Charges	1,347	4,057	11,700	2,100
5486 One Call System	3,492	3,451	3,600	3,600
TOTAL	33,794	127,966	54,000	54,700
1930 TOTAL - ENGINEERING	574,985	641,916	610,500	610,300

# City of Duluth Minnesota - 2018 Budget

## Customer Service

510-500-1940

Customer Accounts provides meter reading, billing, payment collection and account services for utility customers. Service provides installation, inspection, repair and replacement of meters and assures the integrity of customer utility connections.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	778,996	640,077	704,900	727,300
5101 Permanent Employees - Overtime	26,069	26,187	29,800	27,800
5118 Meal Allowance	193	25	100	100
TOTAL	805,258	666,289	734,800	755,200
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	58,930	48,579	54,100	55,600
5122 F.I.C.A. Social Security	48,688	40,567	45,600	46,800
5123 F.I.C.A. Medicare	11,387	9,488	10,700	10,900
5125 Dental Insurance	5,197	4,044	4,500	4,500
5126 Life Insurance	2,510	1,764	2,100	2,100
5127 Health Care Savings	10,463	11,813	15,300	13,100
5130 Cafeteria Plan Benefits	185,995	142,580	182,200	199,900
5133 Health or Fitness Program	-	109	-	-
TOTAL	323,170	258,944	314,500	332,900
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	1,951	2,597	2,100	2,300
5201 Computer Supplies	483	100	500	500
5203 Paper/Stationery	312	34	400	-
5212 Motor Fuel	10,276	9,523	13,000	13,000
5215 Shop Materials	26	568	-	-
5218 Uniforms	1,191	3,642	2,200	2,200
5219 Other Miscellaneous Supplies	380	9,338	-	-
5220 Repair & Maintenance Supplies	309	439	10,000	5,000
5227 Utility System	15,813	125,088	150,800	108,500
5228 Painting Supplies	299	778	1,000	1,000
5240 Small Tools	3,978	1,053	2,600	8,000
5241 Small Equipment	908	9,978	8,300	5,500
5310 Contract Services	39,008	37,499	43,300	43,300
5320 Data Services	56	-	-	-
5321 Telephone	2,488	2,171	2,200	2,200

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Customer Service

510-500-1940

Customer Accounts provides meter reading, billing, payment collection and account services for utility customers. Service provides installation, inspection, repair and replacement of meters and assures the integrity of customer utility connections.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5322 Postage	46,659	42,156	49,600	49,600
5331 Training Expenses	2,087	2,060	7,000	5,000
5339 Armored Pickup	1,151	1,154	1,200	1,200
5355 Printing & Copying	2,221	495	2,000	2,000
5356 Copier, Printer Lease & Supplies	393	572	500	500
5401 Building Repair & Maintenance	-	1,251	-	-
5404 Equipment Maintenance & Repair	521	594	800	800
5409 Fleet Services	9,529	12,817	16,600	17,100
5414 Software Lic & Mtc Agreements	2,741	3,938	4,100	4,700
5418 Vehicle/Equipment Lease	-	724	900	900
5427 Credit Card Commission	15,092	19,040	15,200	16,000
5432 Uncollectible Accounts	(13,704)	3,054	15,000	15,000
5441 Other Services & Charges	1,590	1,607	5,300	5,300
TOTAL	<u>145,758</u>	<u>292,270</u>	<u>354,600</u>	<u>309,600</u>
1940 TOTAL - CUSTOMER SERVICE	1,274,186	1,217,503	1,403,900	1,397,700

# City of Duluth Minnesota - 2018 Budget

## Utility Operations

510-500-1945

Utility Operations operates, maintains and improves the pipeline distribution system to provide a dependable supply of water to Duluth and surrounding areas.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	1,390,003	1,638,359	1,735,800	1,707,400
5101 Permanent Employees - Overtime	227,147	201,356	235,000	225,000
5103 Other Wages	4,573	13,900	13,500	16,900
5118 Meal Allowance	4,903	5,928	5,000	5,000
TOTAL	1,626,626	1,859,543	1,989,300	1,954,300
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	118,207	134,166	144,800	141,900
5122 F.I.C.A. Social Security	98,335	113,854	123,000	120,900
5123 F.I.C.A. Medicare	23,183	26,583	28,800	28,300
5125 Dental Insurance	8,843	10,109	10,800	10,400
5126 Life Insurance	4,283	4,411	5,200	5,000
5127 Health Care Savings	14,768	41,299	44,400	38,500
5130 Cafeteria Plan Benefits	312,327	359,681	421,100	427,700
5133 Health or Fitness Program	-	83	-	-
5141 Unemployment Compensation	313	928	-	-
TOTAL	580,259	691,114	778,100	772,700
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	1,306	1,293	3,000	2,600
5201 Computer Supplies/Software	26	-	300	300
5205 Safety & Training Materials	8,041	9,612	8,100	8,100
5210 Plant/Operating Supplies	23,977	13,282	20,900	20,000
5212 Motor Fuel	57,909	46,360	75,000	70,000
5215 Shop Materials	5,131	4,692	4,400	4,500
5218 Uniforms	10,667	11,738	13,200	12,600
5219 Other Miscellaneous Supplies	4,907	3,774	3,000	2,500
5220 Repair & Maintenance Supplies	16,400	9,739	8,300	8,600
5222 Paving Materials	28,115	21,596	25,000	25,000
5224 Gravel & Other Maintenance Mtls	70,588	82,931	60,000	68,000
5227 Utility Maintenance Supply	302,993	303,748	383,200	383,200
5228 Painting Supplies	372	37	400	400
5240 Small Tools	18,381	16,712	17,000	17,000
5241 Small Equipment	4,174	4,152	10,800	12,900

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Utility Operations

510-500-1945

Utility Operations operates, maintains and improves the pipeline distribution system to provide a dependable supply of water to Duluth and surrounding areas.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5310 Contract Services	16,548	35,002	27,200	22,700
5320 Data Services	276	-	-	-
5321 Telephone	1,997	2,790	3,000	3,000
5331 Training Expenses	14,940	11,272	9,500	10,500
5333 Freight/Delivery Charges	103	-	500	500
5335 Mileage Reimbursement	3,201	3,308	3,500	3,300
5355 Printing and Copying	-	721	200	300
5356 Copier, Printer Lease & Supplies	274	140	500	500
5381 Electricity	-	4,977	5,000	5,300
5382 Water/Sewer/Gas	4,305	2,960	5,000	4,500
5384 Refuse Disposal	13,864	10,207	11,000	11,000
5404 Equipment Maintenance/Repair	22,612	4,913	11,000	11,300
5409 Fleet Service Charges	143,812	121,007	162,400	160,500
5414 Software Lic & Mtc Agreements	250	311	200	-
5415 Vehicle/Equipment Rental	14,205	9,167	17,000	16,000
5419 Other Rentals	4,070	1,527	-	-
5438 License	299	524	500	500
5441 Other Services & Charges	1,788	4,893	6,300	6,300
5450 Laundry	6,868	5,766	8,100	7,500
5700 Transfer to General Fund	114,313	120,342	166,000	166,000
TOTAL	<u>916,712</u>	<u>869,493</u>	<u>1,069,500</u>	<u>1,065,400</u>
1945 TOTAL - UTILITY OPERATIONS	3,123,597	3,420,150	3,836,900	3,792,400

# City of Duluth Minnesota - 2018 Budget

## Water Treatment and Pumping

510-500-1955

Treatment is required to produce a safe and potable water supply that meets Federal and State standards. This includes bacterial, biochemical and physical testing. The operation and maintenance of pump stations throughout the City is necessary to lift water to elevations that provide adequate pressure for customer use.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	589,303	602,856	623,300	648,400
5101 Permanent Employees - Overtime	18,283	24,470	25,000	28,000
5118 Meal Allowance	84	21	-	-
TOTAL	607,670	627,347	648,300	676,400
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	44,509	46,233	47,900	50,000
5122 F.I.C.A. Social Security	36,024	37,376	40,200	41,900
5123 F.I.C.A. Medicare	8,425	8,741	9,400	9,800
5125 Dental Insurance	3,759	3,720	3,700	3,800
5126 Life Insurance	1,815	1,620	1,800	1,800
5127 Health Care Savings	11,525	9,239	21,600	10,000
5130 Cafeteria Plan Benefits	156,353	150,126	161,700	183,600
5133 Health or Fitness Program	-	210	-	-
TOTAL	262,410	257,265	286,300	300,900
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	2,240	1,658	1,300	1,500
5201 Computer Supplies/Software	1,707	6,444	-	-
5210 Plant/Operating Supplies	10,274	13,571	9,500	11,000
5211 Cleaning/Janitorial Supplies	1,023	2,936	3,000	4,000
5212 Motor Fuel	5,761	3,821	6,500	6,500
5216 Treatment Chemicals	410,779	323,182	431,000	393,800
5218 Uniforms	397	2,802	3,000	3,000
5219 Other Miscellaneous Supplies	13,724	18,534	21,500	21,500
5220 Repair & Maintenance Supplies	73,993	101,463	74,500	92,900
5228 Painting Supplies	2,828	552	2,000	2,000
5240 Small Tools	2,866	1,850	3,500	3,000
5241 Small Equipment	11,035	8,024	6,500	13,700

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Water Treatment and Pumping

510-500-1955

Treatment is required to produce a safe and potable water supply that meets Federal and State standards. This includes bacterial, biochemical and physical testing. The operation and maintenance of pump stations throughout the City is necessary to lift water to elevations that provide adequate pressure for customer use.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5310 Contract Services	35,673	202	35,000	35,000
5319 Other Professional Services	1,137	-	5,000	5,000
5321 Telephone	745	497	400	400
5322 Postage	1,510	1,734	2,600	2,000
5331 Training Expenses	9,554	3,770	7,100	7,100
5335 Local Mileage Reimbursement	5,551	5,590	6,000	6,000
5355 Printing and Copying	146	6,026	2,300	5,000
5356 Copier, Printer Lease & Supplies	81	720	500	500
5381 Electricity	1,162,030	1,159,954	1,150,000	1,220,000
5382 Water & Sewer	45,862	44,744	69,100	61,300
5385 Oil	240	-	-	-
5401 Building Repair & Maintenance	28,957	6,965	30,200	21,400
5404 Equipment Maintenance/Repair	40,970	118,072	75,000	91,000
5409 Fleet Services	12,760	9,144	7,000	7,000
5433 Dues and Subscriptions	5,625	5,756	6,000	6,000
5438 Licenses	198	58	300	300
5441 Other Services & Charges	49,073	7,223	57,300	57,300
5450 Laundry	502	151	600	600
5483 Water Testing Fees	3,792	2,299	3,500	3,500
TOTAL	1,941,033	1,857,742	2,020,200	2,082,300
1955 TOTAL-WATER TRMT & PUMPING	2,811,113	2,742,354	2,954,800	3,059,600

# City of Duluth Minnesota - 2018 Budget

## Gas Fund

520

The Gas Fund is a self-supporting enterprise fund which accounts for the distribution of an adequate, reliable and safe supply of natural gas. Other services provided are the inspection, maintenance and servicing of customer gas utilization equipment.

The major funding source is gas sales, representing 96% of total revenues for 2018. The major category of expense is purchased gas, which represents 58% of total proposed expenses.

Presented below is a summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>REVENUE</b>				
Gas Sales	34,080,384	29,663,962	35,702,900	36,809,900
Other Operating Revenues	1,413,652	1,543,995	1,386,200	1,349,500
Non-Operating Revenues	120,040	222,532	127,200	115,300
Project Reimbursements	-	480,350	-	-
	<u>35,614,076</u>	<u>31,910,839</u>	<u>37,216,300</u>	<u>38,274,700</u>
<b>EXPENSES</b>				
Personal Services	6,450,903	7,112,627	8,005,400	8,486,700
Supplies	1,102,758	1,121,730	1,155,300	1,098,700
Other Services & Charges	1,762,288	1,429,129	1,718,100	1,759,000
Natural Gas Purchases	18,713,748	15,794,076	20,930,900	21,483,900
Utilities	41,093	41,321	38,500	39,000
Depreciation/Amortization	1,374,853	1,376,238	1,564,200	1,580,600
Improvements -Non-Capital	92,755	121,102	110,000	80,000
Debt Service - Interest	123,690	73,457	55,300	29,800
Debt Service - Other	(22,349)	(21,440)	(18,000)	(17,600)
Capital Lease Interest	77,479	69,944	65,400	57,400
Reimbursed Project Costs	-	480,350	-	-
Transfers	4,206,175	2,684,795	2,540,300	2,564,200
	<u>33,923,393</u>	<u>30,283,329</u>	<u>36,165,400</u>	<u>37,161,700</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>				
	1,690,683	1,627,510	1,050,900	1,113,000
Other Sources of Cash	2,078,166	1,316,687	1,696,200	1,713,000
Other Uses of Cash	(4,511,789)	(5,129,469)	(5,375,100)	(3,973,900)
Increase (Decrease) in Cash	<u>(742,940)</u>	<u>(2,185,272)</u>	<u>(2,628,000)</u>	<u>(1,147,900)</u>

# City of Duluth Minnesota - 2018 Budget

## Gas Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2017 Budget	2017 Projected	2018 Approved
ESTIMATED OPERATING INCOME (LOSS)	1,050,900	1,105,300	1,113,000
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,564,200	1,429,900	1,580,600
Interest from Bond Discount	(18,000)	(17,900)	(17,600)
PERA Retirement, GASB 68	-	352,500	-
Other Post Employment Benefits	-	-	-
Due from Other Funds	-	-	-
Interfund Loan Repayment	-	1,222,050	-
Energy Fund Loan Repayment	150,000	150,000	150,000
Special Assessment Principal	-	900	-
Total Other Sources of Cash	<u>1,696,200</u>	<u>3,137,450</u>	<u>1,713,000</u>
<u>Other Uses of Cash</u>			
Due to Other Funds	-	14,136	-
Capital Improvements from Current Revenues	3,814,500	3,499,100	2,810,000
Capital Equipment Purchases	448,600	441,000	466,800
Bond Principal Payments	902,900	902,900	480,000
AMR Lease Principal Payment	209,100	209,100	217,100
Total Other Uses of Cash	<u>5,375,100</u>	<u>5,066,236</u>	<u>3,973,900</u>
INCREASE (DECREASE) IN CASH	(2,628,000)	(823,486)	(1,147,900)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>7,465,656</u>	<u>3,107,463</u>	<u>2,283,977</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>4,837,656</u></u>	<u><u>2,283,977</u></u>	<u><u>1,136,077</u></u>

# City of Duluth Minnesota - 2018 Budget

## Gas Fund

520

Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES:				
GAS SALES				
4820 Residential Firm	18,900,606	16,430,476	19,690,700	20,943,200
4822 Comm/Industrial Firm Large	8,620,493	7,380,462	8,859,500	9,407,500
4824 Comm/Industrial Interruptible Large	2,715,389	1,988,945	3,223,900	2,535,200
4831 Fixed Rate Charges	3,843,896	3,864,079	3,928,800	3,924,000
TOTAL	34,080,384	29,663,962	35,702,900	36,809,900
OTHER OPERATING REVENUES				
4636 Sale of Scrap	-	-	500	500
4801 Off/On Charge	23,984	23,223	26,000	25,000
4802 Interest Earned on Customer Accts	116,684	82,807	105,000	90,000
4805 Reimbursements	224,201	261,215	225,000	200,000
4809 Miscellaneous Operating Revenue	85,625	91,027	65,000	65,000
4818 Servicing Appliances	377,195	432,632	380,000	400,000
4819 Comfort Policy	402,979	377,333	400,000	380,000
4827 Gas-Interruptible Transport	257,103	275,522	170,200	175,000
4832 Overcharge Refunds	(74,530)	-	-	-
4851 Interest Income - Other Sources	411	236	14,500	14,000
TOTAL	1,413,652	1,543,995	1,386,200	1,349,500
TOTAL OPERATING REVENUES	35,494,036	31,207,957	37,089,100	38,159,400
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Operating	-	131,062	-	-
4230 Pera Aid	23,365	23,365	23,400	23,400
4601 Change in Fair Value Investments	(19,384)	(12,912)	-	-
4829 Two Tier Rate	57,400	61,627	62,000	66,000
4853 Gain on Sale of Assets	26,680	(10,410)	10,000	10,000
4854 Utility Special Assessments	(1)	-	2,000	1,000
4730 Transfers In from Enterprise Funds	31,980	29,800	29,800	14,900
TOTAL NON-OPERATING REVENUES	120,040	222,532	127,200	115,300
PROJECT REIMBURSEMENTS:				
4700 Project Reimbursements	-	480,350	-	-
TOTAL REVENUE	35,614,076	31,910,839	37,216,300	38,274,700

# City of Duluth Minnesota - 2018 Budget

## Director's Office

520-500-1900

The Director's Office provides leadership and management for the Public Works and Utilities Department.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	59,878	66,127	66,900	82,000
5101 Permanent Employees - Overtime	594	612	500	500
TOTAL	60,472	66,739	67,400	82,500
EMPLOYEE BENEFITS				
5121 P.E.R.A.	4,442	4,697	4,900	6,000
5122 F.I.C.A. Social Security	3,531	3,944	4,200	5,100
5123 F.I.C.A. Medicare	875	970	1,000	1,200
5125 Dental Insurance	298	298	300	400
5126 Life Insurance	144	130	100	200
5127 Health Care Savings	1,526	1,586	600	900
5130 Cafeteria Plan Benefits	6,691	4,922	6,900	10,300
TOTAL	17,507	16,547	18,000	24,100
OPERATING EXPENSES				
5200 Office Supplies	43	38	100	100
5241 Small Equipment	53	-	100	500
5321 Telephone	120	120	100	100
5331 Training/Travel	203	1,654	600	1,700
5335 Mileage Reimbursement Local	215	305	200	200
5438 Licenses	-	120	-	-
5700 Transfer to Special Revenue Fund	5,401	65,954	-	-
TOTAL	6,035	68,191	1,100	2,600
1900 TOTAL - DIRECTOR'S OFFICE	84,014	151,477	86,500	109,200

# City of Duluth Minnesota - 2018 Budget

## Capital

520-500-1905

Capital expenditures support the infrastructure required to provide an adequate supply of natural gas to Duluth residents. This includes costs for depreciation and debt service.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES				
5420 Depreciation	1,374,853	1,376,238	1,564,200	1,580,600
5441 Other Services & Charges	129	750	-	-
5535 Improvements (Non-Capital)	92,755	121,102	110,000	80,000
5540 Equipment (Non-Capital)	22,914	47,644	-	-
5611 Bond Interest	123,690	73,457	55,300	29,800
5613 Interest - Bond Amortization	(22,349)	(21,440)	(18,000)	(17,600)
5614 Capital Lease Interest	77,479	69,944	65,400	57,400
5620 Fiscal Agents Fee	613	579	500	600
5441 Reimbursed Project Costs	-	480,350	-	-
TOTAL	1,670,084	2,148,624	1,777,400	1,730,800
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	3,029,353	2,467,803	3,814,500	2,810,000
5580 Capital Equipment	325,209	184,697	448,600	466,800
TOTAL	3,354,562	2,652,500	4,263,100	3,276,800
1905 TOTAL - CAPITAL	5,024,646	4,801,124	6,040,500	5,007,600

# City of Duluth Minnesota - 2018 Budget

## Utility General Expense

520-500-1915

General expenses represent normal and routine department operating expenses that can be allocated to each utility fund. Examples include costs for safety and training, insurance, and utilities.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	28,794	29,831	16,800	39,000
5101 Permanent Employees - Overtime	-	35	-	-
<b>TOTAL</b>	<b>28,794</b>	<b>29,866</b>	<b>16,800</b>	<b>39,000</b>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	2,232	2,146	1,300	2,800
5121 P.E.R.A., GASB 68	63,722	352,520	-	-
5122 F.I.C.A. Social Security	1,718	1,799	1,000	2,400
5123 F.I.C.A. Medicare	402	421	200	600
5125 Dental Insurance	195	180	100	300
5126 Life Insurance	4,942	4,721	-	100
5127 Health Care Savings	286	275	200	600
5130 Cafeteria Plan Benefits	9,957	8,985	5,000	10,400
5134 Other Post Retirement Benefits	(587,657)	(578,736)	-	-
5134 Other Post Retirement Transfer	38,000	-	-	-
5135 Retiree Health Insurance	874,560	874,156	916,800	963,300
5151 Worker's Compensation	48,600	56,500	56,100	46,700
<b>TOTAL</b>	<b>456,957</b>	<b>722,967</b>	<b>980,700</b>	<b>1,027,200</b>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	35	-	100	100
5201 Computer Supplies/Software	17,842	345	-	-
5205 Safety & Training	650	348	1,100	1,100
5211 Cleaning & Janitorial Supplies	5,093	4,725	3,000	3,500
5212 Motor Fuels	-	147	200	-
5218 Uniforms	-	138	-	200
5241 Small Equipment	3,690	4,711	1,400	2,000
5301 Auditing Services	809	1,129	1,000	1,300
5305 Medical Services/Testing Fees	2,783	3,539	2,700	3,000
5310 Contract Services	6,318	3,328	-	-
5319 Other Professional Services	-	1,317	-	-
5320 Data Services	45,725	48,890	47,900	45,300
5321 Telephone	11,366	8,502	7,900	7,000
5322 Postage	-	-	700	700
5331 Training Expense	27,894	21,044	24,300	24,500

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Utility General Expense

520-500-1915

General expenses represent normal and routine department operating expenses that can be allocated to each utility fund. Examples include costs for safety and training, insurance, and utilities.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5333 Freight/Delivery Charges	497	382	-	-
5335 Mileage Reimbursement	-	-	-	300
5340 Advertising and Promotion	-	31,456	29,000	28,000
5355 Printing & Copying	185	-	10,000	10,000
5356 Copier, Printer Lease & Supplies	5,835	7,816	6,800	6,800
5360 Insurance	62,500	62,700	62,400	62,400
5381 Electricity	14,626	15,934	12,700	13,500
5382 Water, Gas & Sewer	15,801	14,397	15,300	13,900
5384 Refuse Disposal	1,905	2,175	1,900	2,300
5401 Building Repair & Maintenance	13,095	11,196	30,400	41,400
5404 Equipment/Machinery Repair	9,328	9,542	11,300	2,300
5409 Fleet Service Charges	60	203	200	-
5414 Software Lic & Mtc Agreements	46,252	64,145	52,200	72,000
5433 Dues and Subscriptions	4,754	-	8,000	7,700
5438 Licenses	121	28	200	-
5441 Other Services & Charges	34,928	54,801	21,300	4,600
5443 Board & Meeting Expenses	-	-	1,700	1,700
5450 Laundry	1,620	1,172	1,400	1,400
5452 Pipe Line Safety	9,187	5,469	12,000	12,000
5493 Cost Allocation	491,300	491,300	439,300	442,700
5711 Payment in Lieu of Taxes	4,080,329	2,484,583	2,357,800	2,406,800
5700 Transfer to General Fund	49,000	59,044	78,700	53,600
TOTAL	<u>4,963,528</u>	<u>3,414,506</u>	<u>3,242,900</u>	<u>3,272,100</u>
1915 TOTAL - GENERAL EXPENSE	5,449,279	4,167,339	4,240,400	4,338,300

# City of Duluth Minnesota - 2018 Budget

## Engineering

520-500-1930

Engineering provides engineering services including design, inspection and construction locates for the gas distribution system.

Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	658,188	658,549	702,500	741,600
5101	Permanent Employees - Overtime	57,862	71,527	65,000	65,000
5103	Temporary Wages	3,277	3,793	7,300	2,000
5111	Long-Term Disability Wages	-	47	-	-
5118	Meal Allowance	983	1,462	600	1,500
	TOTAL	720,310	735,378	775,400	810,100
EMPLOYEE BENEFITS					
5121	P.E.R.A.	52,428	53,059	57,000	60,000
5122	F.I.C.A. Social Security	43,505	44,701	48,000	50,100
5123	F.I.C.A. Medicare	10,175	10,455	11,200	11,700
5125	Dental Insurance	3,714	3,586	4,000	4,000
5126	Life Insurance	1,797	1,564	1,900	1,900
5127	Health Care Savings	10,038	14,233	25,400	12,800
5130	Cafeteria Plan Benefits	153,827	151,823	184,400	204,100
5133	Health or Fitness Program	-	188	-	-
	TOTAL	275,484	279,609	331,900	344,600
OPERATING EXPENSES					
5200	Office Supplies	863	854	600	600
5201	Computer Supplies	650	891	200	200
5203	Paper, Stationery and Forms	197	166	400	400
5205	Safety & Training Materials	168	352	500	500
5212	Motor Fuel	6,069	5,520	8,000	5,000
5218	Uniforms	31	844	700	700
5219	Other Miscellaneous Supplies	558	379	-	-
5240	Small Tools	1,771	354	1,000	1,100
5241	Small Equipment	8,140	14,238	5,600	8,700
5242	Survey Equipment and Supplies	6,190	8,946	5,500	7,500
5303	Engineering Services	4,808	-	-	-
5310	Contract Services	19,503	3	-	-
5320	Data Services	1,097	1,867	2,300	1,500
5321	Telephone	3,389	3,540	3,300	3,500

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Engineering

520-500-1930

Engineering provides engineering services including design, inspection and construction locates for the gas distribution system.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5322 Postage	2	27	100	100
5331 Training Expenses	6,129	4,859	11,100	14,600
5335 Mileage Reimbursement	-	-	300	300
5355 Printing and Copying	869	601	400	600
5356 Copier, Printer Lease & Supplies	1,864	317	800	800
5404 Equipment Maintenance Repair	1,065	42	900	1,100
5409 Fleet Services	7,692	8,638	9,000	7,900
5414 Software Lic & Mtc Agreements	15,080	13,173	14,500	18,400
5433 Dues and Subscriptions	172	371	900	700
5435 Books and Pamphlets	-	-	200	-
5438 Licenses	-	195	-	400
5441 Other Services and Charges	3,638	2,114	13,900	4,300
5486 One Call System	3,532	3,577	3,600	3,600
TOTAL	<u>93,477</u>	<u>71,868</u>	<u>83,800</u>	<u>82,500</u>
1930 TOTAL - ENGINEERING	1,089,271	1,086,855	1,191,100	1,237,200

# City of Duluth Minnesota - 2018 Budget

## Customer Service

520-500-1940

Customer Accounts provides meter reading, billing, payment collection and account services for utility customers. Service provides installation, inspection, repair and replacement of meters and assures the integrity of customer utility connections. Servicing Appliances provides hookup, inspection, cleaning and repair of gas appliances as well as an annual home service contract for natural gas furnaces. Information and Conservation markets the use of natural gas and provides consumer safety education through activities such as advertising, customer promotions, exhibits and support for community events.

Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	2,044,484	2,049,010	2,304,300	2,431,700
5101	Permanent Employees - Overtime	73,760	102,296	71,500	71,500
5103	Temporary Wages	21,720	15,905	32,200	25,000
5118	Meal Allowance	409	143	500	500
	TOTAL	<u>2,140,373</u>	<u>2,167,354</u>	<u>2,408,500</u>	<u>2,528,700</u>
EMPLOYEE BENEFITS					
5121	P.E.R.A.	155,846	156,252	174,800	184,100
5122	F.I.C.A. Social Security	129,598	132,364	149,200	156,600
5123	F.I.C.A. Medicare	30,309	30,956	34,900	36,700
5125	Dental Insurance	13,117	12,709	14,600	14,600
5126	Life Insurance	6,343	5,537	7,100	7,100
5127	Health Care Savings	24,595	43,001	45,100	46,300
5130	Cafeteria Plan Benefits	495,740	450,267	600,500	639,400
5133	Health or Fitness Program	-	174	-	-
	TOTAL	<u>855,548</u>	<u>831,260</u>	<u>1,026,200</u>	<u>1,084,800</u>
OPERATING EXPENSES					
5200	Office Supplies	2,206	3,992	2,800	3,100
5201	Computer Supplies/Software	916	838	800	800
5203	Paper/Stationery	448	-	700	-
5210	Plant/Operating Supplies	12,386	15,926	34,000	40,000
5212	Motor Fuel	33,687	30,621	46,600	46,400
5215	Shop Materials	17,427	17,268	11,500	15,500
5218	Uniforms	1,791	9,643	8,600	8,500
5219	Other Miscellaneous Supplies	101,338	152,007	142,000	142,000
5220	Repair & Maintenance Supplies	46,094	56,853	25,000	25,000
5227	Utility System Maintenance Supply	305,522	315,659	386,500	277,200
5228	Painting Supplies	10,251	5,493	7,500	7,500
5240	Small Tools	44,547	37,766	22,000	37,000
5241	Small Equipment	6,662	24,912	21,800	25,800
5310	Contract Services	58,511	59,999	69,200	69,200
5320	Data Services	235	-	-	-
5321	Telephone	8,873	8,050	8,200	8,200
5322	Postage	69,989	67,371	79,400	79,400

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# City of Duluth Minnesota - 2018 Budget

## Customer Service

520-500-1940

Customer Accounts provides meter reading, billing, payment collection and account services for utility customers. Service provides installation, inspection, repair and replacement of meters and assures the integrity of customer utility connections. Servicing Appliances provides hookup, inspection, cleaning and repair of gas appliances as well as an annual home service contract for natural gas furnaces. Information and Conservation markets the use of natural gas and provides consumer safety education through activities such as advertising, customer promotions, exhibits and support for community events.

### Expense Detail

		2015	2016	2017	2018
		Actual	Actual	Budget	Approved
OPERATING EXPENSES CONTINUED					
5331	Training / Travel	15,743	19,389	27,300	26,300
5335	Mileage Reimbursement	26	100	-	200
5339	Armored Pickup	1,828	1,959	1,900	1,900
5340	Advertising and Promotion	132,366	63,509	105,400	100,400
5355	Printing & Copying	2,859	851	3,900	3,200
5356	Copier, Printer Lease & Supplies	715	738	700	700
5401	Bldg/Structure Repair & Maintenance	-	2,006	-	-
5404	Equipment Repair & Maintenance	6,851	1,350	1,600	1,600
5409	Fleet Services	37,700	49,566	52,900	46,400
5414	Software Lic & Mtc Agreements	4,020	6,313	6,100	6,900
5418	Vehicle/Equipment Lease	-	764	900	900
5427	Credit Card Commissions	58,254	46,815	47,000	47,000
5432	Uncollectible Accounts	3,036	(38,692)	50,000	55,000
5433	Dues and Subscriptions	1,715	2,748	900	900
5441	Other Services & Charges	2,508	7,523	32,400	32,400
5487	Conservation Improvement	307,164	47,790	186,000	271,000
5615	Customer Deposit Refund Interest	1,920	11,072	-	-
	TOTAL	<u>1,297,588</u>	<u>1,030,199</u>	<u>1,383,600</u>	<u>1,380,400</u>
1940	TOTAL - CUSTOMER SERVICES	4,293,509	4,028,813	4,818,300	4,993,900

# City of Duluth Minnesota - 2018 Budget

## Utility Operations

520-500-1945

Utility Operations operates, maintains and improves the pipeline distribution system to provide a dependable supply of natural gas.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	1,019,461	1,266,432	1,316,500	1,355,500
5101 Permanent Employees - Overtime	105,019	102,958	122,000	122,000
5118 Meal Allowance	2,617	3,589	3,000	3,000
TOTAL	<u>1,127,097</u>	<u>1,372,979</u>	<u>1,441,500</u>	<u>1,480,500</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	80,630	99,658	105,000	107,800
5122 F.I.C.A. Social Security	68,612	84,377	89,200	91,700
5123 F.I.C.A. Medicare	16,108	19,719	20,900	21,400
5125 Dental Insurance	6,200	7,733	8,100	8,100
5126 Life Insurance	3,000	3,370	3,900	3,900
5127 Health Care Savings	10,348	26,009	29,500	32,700
5130 Cafeteria Plan Benefits	197,693	249,043	282,600	301,300
5133 Health or Fitness Program	-	158	-	-
5141 Unemployment Compensation	313	928	-	-
TOTAL	<u>382,904</u>	<u>490,995</u>	<u>539,200</u>	<u>566,900</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	3,450	2,769	3,000	2,600
5201 Computer Supplies/Software	312	60	300	300
5205 Safety & Training Materials	17,554	9,100	8,900	8,900
5210 Plant Operations Supplies	21,791	16,806	20,500	20,000
5212 Motor Fuel	34,764	28,388	55,000	45,500
5215 Shop Materials	15,247	16,760	15,000	15,000
5218 Uniforms	9,139	9,748	11,200	10,700
5219 Other Miscellaneous Supplies	3,954	7,181	3,500	3,000
5220 Repair and Maintenance Supplies	18,726	13,939	6,300	6,300
5222 Paving Materials	24,805	18,521	20,000	20,000
5224 Gravel & Other Maintenance Supplies	51,114	54,714	50,000	53,000
5227 Utility Maintenance Supply	102,221	114,126	133,300	151,300
5228 Painting Supplies	-	-	500	500
5240 Small Tools	28,604	16,040	16,500	17,800
5241 Small Equipment	37,131	3,334	9,900	7,500
5310 Contract Services	5,420	3,591	15,200	10,200
5320 Data Services	10	(10)	-	-
5321 Telephone	1,644	2,362	2,100	2,100
5331 Training Expense	1,709	5,535	5,400	5,800
5333 Freight/Delivery Charges	1,767	194	500	500

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Utility Operations

520-500-1945

Utility Operations operates, maintains and improves the pipeline distribution system to provide a dependable supply of natural gas.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5335 Mileage Reimbursement	2,311	2,093	2,500	2,500
5355 Printing and Copying	24	721	300	500
5356 Copier, Printer Lease & Supplies	495	-	1,000	1,000
5384 Refuse Disposal	10,017	9,934	8,000	10,000
5400 Misc Repair & Mtc Service	-	453	-	-
5401 Bldg/Structure Repair & Mtc	1	-	-	-
5404 Equipment Repair & Maintenance	21,345	6,768	7,000	8,000
5409 Fleet Service Charges	72,129	68,510	112,500	74,400
5414 Software Lic & Mtc Agreements	-	332	200	-
5415 Vehicle/Equipment Rental	3,661	10,356	4,400	6,000
5419 Other Rentals	192	1,289	-	-
5441 Other Services & Charges	2,562	1,126	5,000	3,000
5450 Laundry	4,711	4,146	6,000	5,400
5700 Transfer to General Fund	71,445	75,214	103,800	103,800
TOTAL	<u>568,255</u>	<u>504,100</u>	<u>627,800</u>	<u>595,600</u>
1945 TOTAL - UTILITY OPERATIONS	2,078,256	2,368,074	2,608,500	2,643,000

# City of Duluth Minnesota - 2018 Budget

## Natural Gas

520-500-1960

The Natural Gas Division is responsible for the purchase and odorization of natural gas as well as monitoring its transportation through the distribution system. This includes ensuring a safe and adequate natural gas supply in compliance with Minnesota Office of Pipeline Safety regulations.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	273,027	284,359	286,200	349,700
5101 Permanent Employees - Overtime	6,947	7,760	8,000	8,000
5118 Meal Allowance	56	84	-	-
TOTAL	<u>280,030</u>	<u>292,203</u>	<u>294,200</u>	<u>357,700</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A. Contribution	20,414	21,764	21,800	26,500
5122 F.I.C.A. Social Security	16,939	17,690	18,200	22,200
5123 F.I.C.A. Medicare	3,961	4,137	4,300	5,200
5125 Dental Insurance	1,339	1,339	1,300	1,600
5126 Life Insurance	648	583	600	800
5127 Health Care Savings	8,150	9,003	3,200	4,300
5130 Cafeteria Plan Benefits	53,976	52,214	56,200	80,000
TOTAL	<u>105,427</u>	<u>106,730</u>	<u>105,600</u>	<u>140,600</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	3,109	940	500	1,000
5201 Computer Supplies/Software	4,484	1,925	-	-
5210 Plant Operations Supplies	22,643	21,730	21,300	22,000
5212 Motor Fuel	3,733	2,830	6,000	5,000
5218 Uniforms	181	440	1,100	600
5219 Other Miscellaneous Supplies	(7)	665	1,500	2,000
5220 Repair & Maintenance Supplies	52,673	63,922	25,200	35,000
5241 Small Equipment	11,812	3,818	7,500	9,700
5280 Natural Gas Purchases	18,713,748	15,794,076	20,930,900	21,483,900
5310 Contract Services	6,361	10,530	-	-
5320 Data Services	2,449	-	-	-
5321 Telephone	1,549	1,384	1,400	2,000
5331 Training Expense	11,468	5,378	11,200	18,300
5335 Local Mileage Reimbursement	208	-	500	-
5355 Printing and Copying	19	-	100	-
5356 Copier, Printer Lease & Supplies	-	-	300	300
5381 Electricity	9,473	9,478	9,000	10,000
5382 Water/Sewer/Gas	1,193	1,512	1,500	1,600
5400 Miscellaneous Repair & Maint	127	1,495	-	-
5404 Equipment Maintenance Repair	1,654	28	7,500	1,500
5409 Fleet Services Charges	1,341	2,486	4,000	2,500
5414 Software Lic & Mtc Agreements	1,449	1,786	1,200	2,500
5433 Dues and Subscriptions	5,064	5,121	6,100	6,200
5438 Licenses	48	-	-	-
5441 Other Services & Charges	18,744	3,670	6,000	6,000
5450 Laundry	-	-	600	900
TOTAL	<u>18,873,523</u>	<u>15,933,214</u>	<u>21,043,400</u>	<u>21,611,000</u>
1960 TOTAL - NATURAL GAS	19,258,980	16,332,147	21,443,200	22,109,300

# City of Duluth Minnesota - 2018 Budget

## Sewer Fund

530

The Sewer Fund accounts for the provision of sanitary sewer service as a self-supporting enterprise fund. Activities include the operation and maintenance of the City's sanitary sewer collection system.

The major funding source is user charges, representing 98% of total revenues for 2018. The major expense category is for contractual services and charges paid to the Western Lake Superior Sanitary District (WLSSD), constituting 56% of total proposed expenses. Presented below is a summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>REVENUE</b>				
Operating Revenue	18,150,451	17,915,012	18,391,500	18,487,800
Non-Operating Revenue	<u>2,682,697</u>	<u>1,587,891</u>	<u>44,200</u>	<u>97,000</u>
	20,833,148	19,502,903	18,435,700	18,584,800
<b>EXPENSES</b>				
Personal Services	3,160,826	3,066,395	3,215,200	3,446,400
Supplies	276,974	309,950	357,700	351,000
Other Services & Charges	1,022,760	1,010,342	1,023,900	1,016,800
WLSSD Treatment	8,802,904	8,791,458	8,783,300	9,046,900
Utilities	107,214	113,193	123,700	124,800
Depreciation/ Amortization	1,312,741	1,318,964	1,457,500	1,525,600
Sanitary Sewer -Grants	303,050	248,350	360,000	280,000
Improvements -Non-Capital	191,870	111,772	50,000	50,000
Debt Service - Interest	274,835	196,029	180,500	144,100
Debt Service - Other	4,674	2,659	3,400	3,800
Capital Lease Interest	72,784	65,705	61,400	53,900
Transfers	<u>120,445</u>	<u>134,258</u>	<u>182,400</u>	<u>157,300</u>
	15,651,077	15,369,075	15,799,000	16,200,600
<b>ESTIMATED OPERATING INCOME (LOSS)</b>				
	5,182,071	4,133,828	2,636,700	2,384,200
Other Sources of Cash	2,018,354	1,692,063	1,460,900	1,529,400
Other Uses of Cash	<u>(8,370,112)</u>	<u>(5,847,722)</u>	<u>(4,288,100)</u>	<u>(4,287,200)</u>
Increase (Decrease) in Cash	<u><u>(1,169,687)</u></u>	<u><u>(21,831)</u></u>	<u><u>(190,500)</u></u>	<u><u>(373,600)</u></u>

# City of Duluth Minnesota - 2018 Budget

## Sewer Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2017 Budget	2017 Projected	2018 Approved
ESTIMATED OPERATING INCOME (LOSS)	2,636,700	2,574,200	2,384,200
<u>Other Sources of Cash</u>			
Depreciation and Amortization	1,457,500	1,400,800	1,525,600
Interest from Bond Discount	3,400	3,400	3,800
PERA Retirement, GASB 68	-	116,000	-
Other Post Employment Benefits	-	-	-
Due from Other Funds	-	12,844	-
Special Assessment Principal	-	19,500	-
Total Other Sources of Cash	1,460,900	1,552,544	1,529,400
<u>Other Uses of Cash</u>			
Due to Other Funds	-	16,103	-
Infrastructure System Replacement Fund	120,000	119,900	119,900
Capital Improvements from Current Revenues	1,950,000	1,016,000	1,950,000
Capital Equipment Purchases	278,700	145,600	334,100
Bond Principal Payments	1,743,000	1,743,000	1,679,300
AMR Lease Principal Payment	196,400	196,400	203,900
Total Other Uses of Cash	4,288,100	3,237,003	4,287,200
INCREASE (DECREASE) IN CASH	(190,500)	889,741	(373,600)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	2,479,607	1,571,255	2,460,996
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	2,289,107	2,460,996	2,087,396

# City of Duluth Minnesota - 2018 Budget

## Sewer Fund

530

Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES:				
4636 Sale of Materials	346	-	1,000	500
4802 Interest Earned on Customer Accounts	56,135	50,599	54,000	54,000
4805 Reimbursements	26,138	28,203	27,000	27,000
4809 Misc. Operating Revenue	2,322	1,945	1,800	1,800
4831 Fixed Rate Charges	1,927,490	1,931,460	1,929,100	1,932,800
4833 Sewer Revenues	15,999,265	15,757,173	16,256,000	16,342,100
4834 Fond du Lac Grinder Pump Surcharge	12,017	11,326	11,600	11,600
4839 Point of Sale Inspection Fee	114,984	119,917	105,000	110,000
4851 Interest Income - Other Sources	11,754	14,389	6,000	8,000
<b>TOTAL OPERATING REVENUES</b>	<b>18,150,451</b>	<b>17,915,012</b>	<b>18,391,500</b>	<b>18,487,800</b>
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Capital	2,560,460	174,776	-	-
4220 Minnesota Grants - Operating	-	1,868	-	-
4230 Pera Aid	8,283	8,283	8,300	8,300
4601 Change in Fair Value Investments	(190)	(2,481)	-	-
4853 Gain on Sale of Assets	31,977	-	1,000	1,000
4854 Utility Special Assessments	63,307	(3)	20,000	10,000
4857 Capital Contributions	-	1,135,082	-	-
4730 Transfer from Enterprise Funds	18,860	270,366	14,900	77,700
<b>TOTAL NON-OPERATING REVENUES</b>	<b>2,682,697</b>	<b>1,587,891</b>	<b>44,200</b>	<b>97,000</b>
<b>TOTAL REVENUE</b>	<b>20,833,148</b>	<b>19,502,903</b>	<b>18,435,700</b>	<b>18,584,800</b>

# City of Duluth Minnesota - 2018 Budget

## Director's Office

530-500-1900

The Director's Office provides leadership and management for the Public Works and Utilities Department.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	48,333	51,152	51,800	59,700
5101 Permanent Employees - Overtime	490	467	500	500
TOTAL	48,823	51,619	52,300	60,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,522	3,677	3,800	4,400
5122 F.I.C.A. Social Security	2,809	3,003	3,200	3,700
5123 F.I.C.A. Medicare	706	750	800	900
5125 Dental Insurance	205	205	200	200
5126 Life Insurance	99	89	100	100
5127 Health Care Savings	1,406	1,457	500	600
5130 Cafeteria Plan Benefits	4,600	2,883	4,800	5,600
TOTAL	13,347	12,064	13,400	15,500
OPERATING EXPENSES				
5241 Small Equipment	53	-	100	500
5321 Telephone	120	120	100	100
5331 Training Expense	-	810	300	200
5335 Mileage Reimbursement	197	285	200	200
5356 Copier, Printer Lease & Supplies	87	86	100	100
5441 Other Services & Charges	50	-	-	-
TOTAL	507	1,301	800	1,100
1900 TOTAL - DIRECTOR'S OFFICE	62,677	64,984	66,500	76,800

# City of Duluth Minnesota - 2018 Budget

## Capital

530-500-1905

Capital expenditures support the infrastructure required to collect wastewater for treatment and maintain a dependable sanitary sewer system. This includes the cost of depreciation and debt service.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES				
5420 Depreciation	1,312,741	1,318,964	1,457,500	1,525,600
5441 Other Services & Charges	78	-	-	-
5535 Improvements (Non-Capital)	191,870	111,772	50,000	50,000
5540 Equipment (Non-Capital)	17,407	22,336	-	-
5611 Bond Interest	274,835	196,029	180,500	144,100
5613 Interest - from Amortization	4,674	2,659	3,400	3,800
5614 Capital Lease Interest	72,784	65,705	61,400	53,900
5620 Fiscal Agents Fee	2,100	2,238	2,600	1,900
5621 Bond Issuance/Discount Fees	25,204	-	-	-
TOTAL	<u>1,901,693</u>	<u>1,719,703</u>	<u>1,755,400</u>	<u>1,779,300</u>
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	3,135,627	335,192	-	-
5533 Capital Improvements - Revenue	3,226,815	3,022,746	1,950,000	1,950,000
5580 Capital Equipment	373,327	87,539	278,700	334,100
TOTAL	<u>6,735,769</u>	<u>3,445,477</u>	<u>2,228,700</u>	<u>2,284,100</u>
1905 TOTAL - CAPITAL	8,637,462	5,165,180	3,984,100	4,063,400

# City of Duluth Minnesota - 2018 Budget

## Utility General Expense

530-500-1915

General expenses represent normal and routine department operating expenses that can be allocated to each utility fund. Examples include costs for safety and training, insurance, and utilities.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	7,971	9,918	16,800	39,000
5101 Permanent Employees - Overtime	-	10	-	-
<b>TOTAL</b>	<b>7,971</b>	<b>9,928</b>	<b>16,800</b>	<b>39,000</b>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	670	644	1,300	2,800
5121 P.E.R.A., GASB 68	31,051	115,986	-	-
5122 F.I.C.A. Social Security	473	600	1,000	2,400
5123 F.I.C.A. Medicare	111	140	200	600
5125 Dental Insurance	65	54	100	300
5126 Life Insurance	1,287	1,270	-	100
5127 Health Care Savings	86	82	200	600
5130 Cafeteria Plan Benefits	3,233	2,696	5,000	10,400
5134 Other Post Retirement Benefits	(53,552)	(61,368)	-	-
5135 Retiree Health Insurance	186,409	164,612	180,700	153,100
5151 Worker's Compensation	20,000	25,700	32,900	41,900
<b>TOTAL</b>	<b>189,833</b>	<b>250,416</b>	<b>221,400</b>	<b>212,200</b>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	-	-	100	100
5201 Computer Supplies/Software	9,156	173	-	-
5205 Safety & Training	444	336	700	700
5211 Cleaning & Janitorial Supplies	3,055	4,366	3,000	3,500
5212 Motor Fuels	-	147	200	-
5218 Uniforms	-	41	-	100
5219 Other Miscellaneous Supplies	159	57	-	-
5241 Small Equipment	1,150	1,456	1,400	2,000
5301 Auditing Services	809	1,129	1,000	1,300
5305 Medical Services/Testing Fees	2,767	3,539	2,700	3,000
5310 Contract Services	6,156	3,099	-	-
5319 Other Professional Services	-	1,232	-	-
5320 Data Services	17,674	16,520	17,500	16,400
5321 Telephone	5,460	3,533	3,100	2,800

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Utility General Expense

530-500-1915

General expenses represent normal and routine department operating expenses that can be allocated to each utility fund. Examples include costs for safety and training, insurance, and utilities.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5331 Training / Travel	3,459	1,931	2,800	2,800
5335 Mileage Reimbursement - Local	-	-	-	300
5355 Printing & Copying Services	87	-	-	-
5356 Copier, Printer Lease & Supplies	5,341	7,303	6,800	6,800
5360 Insurance	3,100	(18,400)	-	12,000
5381 Electricity	14,990	14,329	12,700	13,500
5382 Water, Gas & Sewer	10,797	9,563	16,000	14,500
5384 Refuse Disposal	1,905	2,175	1,900	2,300
5401 Building Repair & Maintenance	7,944	9,489	30,400	41,400
5404 Equipment/Machinery Repair & Mtc	4,963	6,563	8,700	1,700
5409 Fleet Service Charges	15	203	200	-
5414 Software Lic & Mtc Agreements	34,454	41,963	34,000	43,400
5438 Licenses	45	28	-	-
5441 Other Services & Charges	5,362	6,269	11,800	3,700
5450 Laundry	1,516	1,048	1,400	1,400
5493 Cost Allocation	308,000	308,000	232,800	204,600
5700 Transfer to General Fund	49,000	59,044	78,700	53,600
TOTAL	497,808	485,136	467,900	431,900
1915 TOTAL - UTILITY GENERAL	695,612	745,480	706,100	683,100

# City of Duluth Minnesota - 2018 Budget

## Engineering

530-500-1930

Engineering provides engineering services including design, inspection, and construction locates for the sanitary sewer collection system.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	379,750	367,018	354,100	356,800
5101 Permanent Employees - Overtime	30,725	39,795	20,000	25,000
5103 Temporary Wages	3,277	3,701	7,200	2,000
5111 Long-Term Disability Wages	-	47	-	-
5118 Meal Allowance	438	896	200	800
<b>TOTAL</b>	<b>414,190</b>	<b>411,457</b>	<b>381,500</b>	<b>384,600</b>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	30,240	30,097	27,600	28,100
5122 F.I.C.A. Social Security	24,931	25,099	23,600	23,800
5123 F.I.C.A. Medicare	5,831	5,870	5,500	5,600
5125 Dental Insurance	2,117	2,043	2,000	2,000
5126 Life Insurance	1,025	889	1,000	1,000
5127 Health Care Savings	6,790	7,272	6,900	5,700
5130 Cafeteria Plan Benefits	79,558	80,792	87,300	88,000
5133 Health or Fitness Program	-	128	-	-
<b>TOTAL</b>	<b>150,492</b>	<b>152,190</b>	<b>153,900</b>	<b>154,200</b>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	635	1,089	700	700
5201 Computer Supplies	721	157	200	200
5203 Paper, Stationary & Forms	188	159	400	400
5205 Safety & Training Materials	123	343	500	500
5212 Motor Fuels	3,243	2,260	4,500	3,000
5218 Uniforms	21	426	300	400
5219 Other Miscellaneous Supplies	50	204	-	-
5240 Small Tools	683	158	800	900
5241 Small Equipment	567	6,234	2,100	3,600
5242 Survey Equipment and Supplies	1,561	4,867	5,500	7,500
5303 Engineering Services	944	184	-	-
5310 Contract Services	-	83	-	-

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Engineering

530-500-1930

Engineering provides engineering services including design, inspection, and construction locates for the sanitary sewer collection system.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5320 Data Services	1,001	1,621	1,700	1,500
5321 Telephone	1,815	1,763	2,000	1,600
5322 Postage	123	26	100	100
5331 Training Expenses	1,246	201	5,900	5,900
5335 Mileage Reimbursement - Local	1,638	2,351	2,000	2,000
5355 Printing and Copying	2,623	235	500	500
5356 Copier, Printer Lease & Supplies	1,604	249	700	700
5404 Equipment Maintenance/Repair	600	42	900	1,100
5409 Fleet Services Charges	7,977	3,578	5,000	5,600
5414 Software Lic & Mtc Agreements	9,281	8,221	9,200	12,800
5433 Dues & Subscriptions	222	467	800	800
5435 Books & Pamphlets	-	-	200	-
5438 Licenses	-	73	-	100
5441 Other Services and Charges	3,566	10,469	13,900	3,700
5486 One Call System	3,492	3,451	3,600	3,600
TOTAL	43,924	48,911	61,500	57,200
1930 TOTAL - ENGINEERING	608,606	612,558	596,900	596,000

# City of Duluth Minnesota - 2018 Budget

## Customer Service

530-500-1940

Customer Service provides billing, collection of payments, and account services for utility customers.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	241,472	168,614	168,300	180,200
5101 Permanent Employees - Overtime	4,556	980	2,300	2,300
5118 Meal Allowance	38	1	-	-
TOTAL	246,066	169,595	170,600	182,500
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	18,077	12,104	12,400	13,300
5122 F.I.C.A. Social Security	14,914	10,272	10,600	11,300
5123 F.I.C.A. Medicare	3,488	2,402	2,500	2,600
5125 Dental Insurance	1,733	1,143	1,100	1,100
5126 Life Insurance	838	499	500	500
5127 Health Care Savings	4,251	3,209	3,700	2,700
5130 Cafeteria Plan Benefits	50,262	35,812	40,800	43,400
5133 Health or Fitness Program	-	87	-	-
TOTAL	93,563	65,528	71,600	74,900
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	738	964	900	1,000
5201 Computer Supplies	427	-	400	400
5203 Paper/Stationery	247	-	300	-
5212 Motor Fuel	1,146	958	800	1,000
5218 Uniforms	-	138	-	-
5241 Small Equipment	811	2,274	2,900	2,500
5310 Contract Services	34,507	29,999	34,600	34,600
5321 Telephone	198	198	200	200
5322 Postage	41,276	33,790	39,800	39,800
5331 Training Expense	1,736	1,606	1,600	1,600
5339 Armored Pickup	1,017	924	900	900

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Customer Service

530-500-1940

Customer Service provides billing, collection of payments, and account services for utility customers.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5355 Printing & Copying	1,578	399	1,400	1,400
5356 Copier, Printer Lease & Supplies	289	366	300	300
5401 Building Repair & Maintenance	169	-	-	-
5404 Equipment Repair & Maintenance	201	265	300	300
5409 Fleet Services	682	927	500	500
5414 Software Lic & Mtc Agreements	2,376	3,281	3,500	4,000
5418 Vehicle/Equipment Lease	-	724	900	900
5427 Credit Card Commission	18,410	23,940	19,000	19,000
5432 Uncollectible Accounts	(5,874)	(1,493)	18,000	23,000
5441 Other Services & Charges	6,373	2,057	700	700
TOTAL	<u>106,307</u>	<u>101,317</u>	<u>127,000</u>	<u>132,100</u>
1940 TOTAL-CUSTOMER SERVICES	445,936	336,440	369,200	389,500

# City of Duluth Minnesota - 2018 Budget

## Utility Operations

530-500-1945

Utility Operations operates, maintains, and monitors a system of pumping stations and pipelines to move wastewater to the WLSSD treatment plant. Cleaning and construction crews maximize the efficiency of the sanitary system through inspection, preventive maintenance, repairs, and emergency response.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	962,059	942,039	919,800	1,065,400
5101 Permanent Employees - Overtime	76,613	59,254	95,000	80,000
5103 Temporary Wages	6,403	19,460	18,900	23,700
5111 Long-Term Disability Wages	-	278	-	-
5118 Meal Allowance	1,934	2,559	2,100	2,200
TOTAL	<u>1,047,009</u>	<u>1,023,590</u>	<u>1,035,800</u>	<u>1,171,300</u>
EMPLOYEE BENEFITS				
5121 P.E.R.A.	76,104	74,367	74,500	84,400
5122 F.I.C.A. Social Security	63,063	62,146	64,100	72,500
5123 F.I.C.A. Medicare	14,749	14,534	15,000	17,000
5125 Dental Insurance	6,637	6,398	6,000	6,800
5126 Life Insurance	3,212	2,780	2,900	3,300
5127 Health Care Savings	13,704	25,182	26,300	24,500
5130 Cafeteria Plan Benefits	264,908	232,774	233,600	314,200
5133 Health or Fitness Program	-	75	-	-
5141 Unemployment Compensation	606	3,123	-	-
TOTAL	<u>442,983</u>	<u>421,379</u>	<u>422,400</u>	<u>522,700</u>
OPERATING EXPENSES				
5200 Office Supplies	2,410	2,061	3,000	2,600
5201 Computer Supplies	3,470	2,263	1,300	1,300
5205 Safety & Training Materials	8,250	7,676	5,400	5,400
5210 Plant Operations Supplies	24,976	31,261	25,000	26,100
5212 Motor Fuel	38,971	34,785	57,000	52,000
5215 Shop Materials	287	893	1,600	1,000
5218 Uniforms	7,617	9,082	20,400	11,900
5219 Other Miscellaneous Supplies	1,028	5,521	2,500	2,500
5220 Repair and Maintenance Supplies	34,030	10,272	17,300	17,300
5222 Paving Materials	17,607	14,434	20,000	20,000
5224 Gravel and other Mtc Materials	46,781	52,382	46,500	50,000
5227 Utility Maintenance Supply	35,239	84,146	95,000	90,000
5240 Small Tools	5,985	8,808	7,000	7,300
5241 Small Equipment	9,821	11,016	11,800	13,000
5310 Contract Services	21,551	21,473	32,300	29,300
5320 Data Services	357	-	-	-
5321 Telephone	1,043	1,601	1,500	1,500

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Utility Operations

530-500-1945

Utility Operations operates, maintains, and monitors a system of pumping stations and pipelines to move wastewater to the WLSSD treatment plant. Cleaning and construction crews maximize the efficiency of the sanitary system through inspection, preventive maintenance, repairs, and emergency response.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5331 Training Expense	12,924	12,452	13,400	13,900
5333 Freight/Delivery Charges	448	592	500	500
5335 Mileage Reimbursement	2,672	2,462	3,000	3,000
5355 Printing and Copying	660	1,696	800	1,000
5356 Copier, Printer Lease & Supplies	486	192	500	500
5381 Electricity	71,724	79,179	82,000	84,800
5382 Water, Gas & Sewer	9,703	10,122	13,000	12,000
5384 Refuse Disposal	16,634	14,813	15,200	16,500
5404 Equipment Maintenance/Repair	18,514	16,282	40,500	34,500
5409 Fleet Service Charges	96,883	129,598	112,900	129,600
5410 Fond Du Lac Grinder Pump	-	-	3,000	1,500
5414 Software Lic & Mtc Agreements	1,588	2,899	1,700	1,000
5415 Vehicle/Equipment Rental	989	2,476	2,000	3,000
5419 Other Rentals	3,276	49	-	-
5433 Dues and Subscriptions	753	-	900	900
5438 Licenses	475	771	500	500
5441 Other Services & Charges	6,256	5,938	12,500	12,500
5443 Board & Meeting Expenses	685	-	-	-
5450 Laundry	5,483	3,913	4,800	5,100
5700 Transfer to General Fund	71,445	75,214	103,700	103,700
TOTAL	<u>581,021</u>	<u>656,322</u>	<u>758,500</u>	<u>755,700</u>
1945 TOTAL - UTILITY OPERATIONS	2,071,013	2,101,291	2,216,700	2,449,700

# City of Duluth Minnesota - 2018 Budget

## Wastewater Treatment

530-500-1965

Wastewater Treatment represents the treatment and flow charge from the Western Lake Superior Sanitary District. Services provided include the removal of phosphorous, biochemical oxygen demand, and suspended solids to standards specified in a United States Environmental Protection Agency permit.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
5484 Western Lake Superior Sanitary District Srv Charge	8,802,904	8,791,458	8,783,300	9,046,900
5485 Western Lake Superior Sanitary District Testing	218,801	216,697	217,000	217,000
1965 TOTAL- SEWER TREATMENT	9,021,705	9,008,155	9,000,300	9,263,900

# City of Duluth Minnesota - 2018 Budget

## Inflow and Infiltration

530-500-1970

Inflow and Infiltration is responsible for identifying sources of clear water that enter the wastewater collection system and for making recommendations for the removal of these sources. Grants are available to homeowners to disconnect foundation drains that contribute to excess water in the sanitary system and that may lead to property damage and water pollution.

Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES					
5100	Permanent Employees - Regular	369,520	365,865	468,100	414,500
5101	Permanent Employees - Overtime	8,611	8,130	25,000	18,000
5118	Meal Allowance	130	138	300	300
	TOTAL	<u>378,261</u>	<u>374,133</u>	<u>493,400</u>	<u>432,800</u>
EMPLOYEE BENEFITS					
5121	P.E.R.A.	26,731	26,328	36,000	32,000
5122	F.I.C.A. Social Security	23,138	22,828	30,600	26,800
5123	F.I.C.A. Medicare	5,412	5,339	7,100	6,300
5125	Dental Insurance	2,290	2,121	2,800	2,500
5126	Life Insurance	1,095	924	1,300	1,200
5127	Health Care Savings	3,469	3,982	7,200	6,800
5130	Cafeteria Plan Benefits	66,153	62,625	97,100	120,900
5133	Health or Fitness Program	-	349	-	-
	TOTAL	<u>128,288</u>	<u>124,496</u>	<u>182,100</u>	<u>196,500</u>
OPERATING EXPENSES					
5200	Office Supplies	653	1,190	300	600
5201	Computer Supplies	-	-	200	-
5205	Safety & Training	65	130	200	200
5212	Motor Fuels	1,263	1,595	4,000	3,000
5218	Uniforms	930	1,420	1,700	1,700
5220	Repair & Maintenance Supplies	8,451	267	-	-
5240	Small Tools	3,434	111	-	-
5241	Small Equipment	528	3,830	11,700	16,100
5321	Telephone	1,070	1,199	1,400	1,800
5322	Postage	5	35	300	500
5331	Training Expense	943	374	4,300	4,300
5335	Mileage Reimbursement	11,447	11,216	11,000	8,000
5355	Printing & Copying	-	-	300	300

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Inflow and Infiltration

530-500-1970

Inflow and Infiltration is responsible for identifying sources of clear water that enter the wastewater collection system and for making recommendations for the removal of these sources. Grants are available to homeowners to disconnect foundation drains that contribute to excess water in the sanitary system and that may lead to property damage and water pollution.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5356 Copier, Printer Lease & Supplies	-	-	200	200
5404 Equipment Maintenance Repair	862	-	4,400	3,000
5409 Fleet Services	1,865	2,167	1,500	2,200
5418 Vehicle/Equipment Lease	-	5,815	7,200	7,200
5441 Other Services and Charges	-	2,134	1,000	1,000
5450 Laundry	2,720	2,002	2,700	2,900
5482 Private Property Sewer Grants	303,050	248,350	360,000	280,000
TOTAL	<u>337,286</u>	<u>281,835</u>	<u>412,400</u>	<u>333,000</u>
1970 TOTAL INFLOW & INFILTRATION	843,835	780,464	1,087,900	962,300

# City of Duluth Minnesota - 2018 Budget

## Clean Water Surcharge Fund

532

In order to protect public health and the environment, a surcharge was created to be used for wastewater collection systems improvements or for the purpose of making grants and loans for the private sewer service program referred to as the City's inflow and infiltration program.

Estimated Income and Expense	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>REVENUE</b>				
Operating Revenue	1,835,014	1,626,376	1,615,000	1,625,000
Non-Operating Revenue	1,501	(3,675)	-	-
	<u>1,836,515</u>	<u>1,622,701</u>	<u>1,615,000</u>	<u>1,625,000</u>
<b>EXPENSES</b>				
Other Services & Charges	1,275	5,126	5,900	5,600
Depreciation/ Amortization	574,184	556,972	566,300	566,700
Grants & Awards	130,896	27,912	160,000	160,000
Debt Service - Interest	163,795	153,089	143,100	127,100
Debt Service - Other	-	-	-	-
Transfers	-	255,466	-	70,300
	<u>870,150</u>	<u>998,565</u>	<u>875,300</u>	<u>929,700</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>	966,365	624,136	739,700	695,300
Other Sources of Cash	574,184	561,062	566,300	566,700
Other Uses of Cash	(1,112,932)	(1,120,881)	(1,137,400)	(1,153,400)
<b>Increase (Decrease) in Cash</b>	<u><u>427,617</u></u>	<u><u>64,317</u></u>	<u><u>168,600</u></u>	<u><u>108,600</u></u>

# City of Duluth Minnesota - 2018 Budget

## Clean Water Fund Estimated Unrestricted Cash Balance

<u>OPERATING FUND</u>	2017 Budget	2017 Projected	2018 Approved
ESTIMATED OPERATING INCOME (LOSS)	739,700	810,400	695,300
<u>Other Sources of Cash</u>			
Depreciation and Amortization	566,300	561,800	566,700
Total Other Sources of Cash	<u>566,300</u>	<u>561,800</u>	<u>566,700</u>
<u>Other Uses of Cash</u>			
Bond Principal Payments	1,137,400	1,137,400	1,153,400
Total Other Uses of Cash	<u>1,137,400</u>	<u>1,137,400</u>	<u>1,153,400</u>
INCREASE (DECREASE) IN CASH	168,600	234,800	108,600
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	<u>746,279</u>	<u>542,808</u>	<u>777,608</u>
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	<u><u>914,879</u></u>	<u><u>777,608</u></u>	<u><u>886,208</u></u>

# City of Duluth Minnesota - 2018 Budget

## Clean Water Surcharge Fund

532

Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES				
4836 I & I Surcharge	12,349	13,190	10,000	10,000
4837 Clean Water Surcharge	1,822,665	1,613,186	1,605,000	1,615,000
TOTAL	<u>1,835,014</u>	<u>1,626,376</u>	<u>1,615,000</u>	<u>1,625,000</u>
NON-OPERATING REVENUES				
4601 Change in Fair Value Investments	1,501	(3,675)	-	-
TOTAL	<u>1,501</u>	<u>(3,675)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	1,836,515	1,622,701	1,615,000	1,625,000

# City of Duluth Minnesota - 2018 Budget

## Clean Water Surcharge Fund

532

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES				
5301 Auditing Services	-	-	500	200
5420 Depreciation	574,184	556,972	566,300	566,700
5427 Credit Card Commissions	1,903	2,420	2,400	2,400
5432 Uncollectible Accounts	(628)	2,706	3,000	3,000
5434 Grants & Awards	130,896	27,912	160,000	160,000
5611 Bond Interest	163,795	153,089	143,100	127,100
5700 Transfers to General Fund	-	-	-	-
5700 Transfers to Sewer Fund	-	255,466	-	70,300
TOTAL	870,150	998,565	875,300	929,700
NON-OPERATING EXPENSES				
5532 Capital Improvements-Bond	1,491	2,770	-	-
TOTAL	1,491	2,770	-	-
TOTAL EXPENSES	871,641	1,001,335	875,300	929,700

# City of Duluth Minnesota - 2018 Budget

## Stormwater Fund

535

The Stormwater Fund accounts for the provision of stormwater sewer service as a self-supporting enterprise fund. Activities include the operation and maintenance of the City's stormwater sewer collection system.

The primary funding source is user charges to all residential and business property owners.

Estimated Income and Expense	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>REVENUE</b>				
Stormwater Sewer Service	4,724,013	5,213,783	5,240,000	5,255,000
Miscellaneous Revenue	35,807	35,414	31,000	33,000
Non-Operating	21,243	18,773	11,200	5,600
	<u>4,781,063</u>	<u>5,267,970</u>	<u>5,282,200</u>	<u>5,293,600</u>
<b>EXPENSES</b>				
Personal Services	2,332,880	2,522,095	2,408,200	2,393,900
Supplies	284,061	337,206	287,400	291,200
Other Services and Charges	502,514	617,282	733,300	662,600
Utilities	20,786	19,174	27,300	26,500
Depreciation and Amortization	433,349	422,187	458,400	475,500
Improvements - Non-Capital	210,618	213,391	165,000	175,000
Debt Service - Interest	47,688	26,997	24,000	18,200
Bond Amortization	(4,487)	(6,835)	(6,800)	(6,500)
Transfers Out	527,578	522,934	570,200	545,100
	<u>4,354,987</u>	<u>4,674,431</u>	<u>4,667,000</u>	<u>4,581,500</u>
<b>ESTIMATED OPERATING INCOME (LOSS)</b>	426,076	593,539	615,200	712,100
Other Sources of Cash	551,353	527,122	451,600	469,000
Other Uses of Cash	(1,418,380)	(2,668,073)	(1,010,100)	(1,453,300)
<b>Increase (Decrease) in Cash</b>	<u>(440,951)</u>	<u>(1,547,412)</u>	<u>56,700</u>	<u>(272,200)</u>

# City of Duluth Minnesota - 2018 Budget

## Stormwater Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2017 Budget	2017 Projected	2018 Approved
ESTIMATED OPERATING INCOME (LOSS)	615,200	763,500	712,100
<u>Other Sources of Cash</u>			
Depreciation and Amortization	458,400	419,500	475,500
Interest from Bond Discount	(6,800)	(6,800)	(6,500)
PERA Retirement, GASB #68	-	149,800	-
Other Post Employment Benefits	-	-	-
Due from Other Funds	-	9,628	-
Special Assessment Principal	-	300	-
Total Other Sources of Cash	451,600	572,428	469,000
<u>Other Uses of Cash</u>			
Due to Other Funds	-	14,847	-
Capital Improvements from Current Revenues	635,000	540,000	1,025,000
Capital Equipment Purchases	147,000	151,500	186,800
Bond Principal Payments	228,100	228,100	241,500
Total Other Uses of Cash	1,010,100	934,447	1,453,300
INCREASE (DECREASE) IN CASH	56,700	401,481	(272,200)
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - BEGINNING	1,068,898	94,781	496,262
ESTIMATED UNRESTRICTED CASH AND DEBT SERVICE CASH - ENDING	1,125,598	496,262	224,062

# City of Duluth Minnesota - 2018 Budget

## Stormwater Fund

535

Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES:				
4636 Sale of Materials	3,118	4,299	3,000	3,000
4170 Miscellaneous Permits & Licenses	10,824	12,900	12,000	12,000
4835 Stormwater Revenues	4,724,013	5,213,783	5,240,000	5,255,000
4802 Interest Earned on Customer Accounts	12,264	11,303	12,000	14,000
4805 Reimbursements	4,294	1,105	500	500
4809 Miscellaneous Operating Revenues	3	70	-	-
4851 Interest - Other Sources	7,433	5,541	3,500	3,500
4854 Utility Assessments	(2,129)	196	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>4,759,820</b>	<b>5,249,197</b>	<b>5,271,000</b>	<b>5,288,000</b>
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Operating	-	1,401	-	-
4601 Change in Fair Value Investments	5,661	4,322	-	-
4853 Gain/Loss - Sales of Fixed Assets	5,742	1,850	-	-
4730 Transfers from Enterprise Funds	9,840	11,200	11,200	5,600
<b>TOTAL NON-OPERATING REVENUES</b>	<b>21,243</b>	<b>18,773</b>	<b>11,200</b>	<b>5,600</b>
<b>TOTAL REVENUE</b>	<b>4,781,063</b>	<b>5,267,970</b>	<b>5,282,200</b>	<b>5,293,600</b>

# City of Duluth Minnesota - 2018 Budget

## Director's Office

535-500-1900

The Director's Office provides leadership and management for the Public Works and Utilities Department.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	48,333	51,152	51,800	59,700
5101 Permanent Employees - Overtime	490	467	500	500
TOTAL	48,823	51,619	52,300	60,200
EMPLOYEE BENEFITS				
5121 P.E.R.A.	3,522	3,677	3,800	4,400
5122 F.I.C.A. Social Security	2,809	3,003	3,200	3,700
5123 F.I.C.A. Medicare	706	750	800	900
5125 Dental Insurance	205	205	200	200
5126 Life Insurance	99	89	100	100
5127 Health Care Savings	1,406	1,457	500	600
5130 Cafeteria Plan Benefits	4,600	2,883	4,800	5,600
TOTAL	13,347	12,064	13,400	15,500
OPERATING EXPENSES				
5241 Small Equipment	-	-	100	500
5321 Telephone	120	120	100	100
5331 Training Expense	-	129	100	100
5335 Mileage Reimbursement-Local	197	285	200	200
5356 Copier, Printer Lease & Spplies	39	22	100	100
TOTAL	356	556	600	1,000
1900 TOTAL - DIRECTOR'S OFFICE	62,526	64,239	66,300	76,700

# City of Duluth Minnesota - 2018 Budget

## Capital

535-500-1905

Capital expenditures support the infrastructure required to provide dependable collection and conveyance of stormwater. This includes the cost of depreciation and debt service.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES				
5420 Depreciation	433,349	422,187	458,400	475,500
5441 Other Services & Charges	47	-	-	-
5535 Improvements (Non-Capital)	210,618	213,391	165,000	175,000
5540 Equipment (Non-Capital)	6,748	15,272	-	-
5611 Bond Interest	47,688	26,997	24,000	18,200
5613 Interest from Amortization	(4,487)	(6,835)	(6,800)	(6,500)
5620 Fiscal Agent Fees	438	432	600	300
5621 Bond Issuance/Discount Fees	10,604	-	-	-
TOTAL	705,005	671,444	641,200	662,500
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue	842,400	2,345,763	635,000	1,025,000
5580 Capital Equipment	337,713	42,009	147,000	186,800
TOTAL	1,180,113	2,387,772	782,000	1,211,800
1905 TOTAL - CAPITAL	1,885,118	3,059,216	1,423,200	1,874,300

# City of Duluth Minnesota - 2018 Budget

## Utility General Expense

535-500-1915

General expenses represent normal and routine department operating expenses that can be allocated to each utility fund. Examples include costs for safety and training, insurance and utilities.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	7,976	9,919	16,800	39,000
5101 Permanent Employees - Overtime	-	10	-	-
TOTAL	<u>7,976</u>	<u>9,929</u>	<u>16,800</u>	<u>39,000</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	670	644	1,300	2,800
5121 P.E.R.A., GASB 68	23,092	149,772	-	-
5122 F.I.C.A. Social Security	473	600	1,000	2,400
5123 F.I.C.A. Medicare	110	140	200	600
5125 Dental Insurance	65	54	100	300
5126 Life Insurance	29	23	-	100
5127 Health Care Savings	86	82	200	600
5130 Cafeteria Plan Benefits	3,233	2,695	5,000	10,400
5134 Other Post Retirement Benefits	(56,854)	(47,699)	-	-
5134 Other Post Retirement Transfer	100,000	91,000	-	-
5135 Retiree Health Insurance	10,290	14,738	23,900	27,500
5151 Worker's Compensation	7,300	12,000	13,300	14,000
TOTAL	<u>88,494</u>	<u>224,049</u>	<u>45,000</u>	<u>58,700</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	16	-	100	100
5201 Computer Supplies/Software	6,564	-	-	-
5205 Safety & Training Materials	177	242	700	700
5211 Cleaning and Janitorial Supplies	3,054	4,365	3,000	3,500
5212 Motor Fuels	-	147	200	-
5218 Uniforms	-	1	-	100
5241 Small Equipment	812	1,389	1,400	2,000
5301 Auditing Services	268	377	400	400
5305 Medical Services/Testing Fees	2,725	3,539	2,700	3,000
5310 Contract Services	6,156	3,099	-	-
5319 Other Professional Services	-	1,232	-	-
5320 Data Services	8,078	9,244	9,000	10,000
5321 Telephone	3,186	1,578	2,800	1,900
5331 Training Expenses	2,429	1,134	2,800	2,800

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Utility General Expense

535-500-1915

General expenses represent normal and routine department operating expenses that can be allocated to each utility fund. Examples include costs for safety and training, insurance and utilities.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5335 Mileage Reimbursement - Local	-	-	-	300
5356 Copier, Printer Lease & Supplies	5,327	7,303	6,800	6,800
5360 Insurance	8,800	9,200	8,000	14,400
5381 Electricity	11,174	10,235	12,700	13,500
5382 Water & Gas	9,612	8,939	14,600	13,000
5384 Refuse Disposal	11,549	5,381	8,100	8,500
5401 Building Repair & Maintenance	7,453	8,788	30,200	41,200
5409 Fleet Service Charges	15	203	200	-
5414 Software Lic & Mtc Agreements	18,994	26,236	23,600	28,900
5433 Dues & Subscriptions	1,875	-	-	-
5441 Other Services and Charges	15,514	26,968	8,000	3,600
5450 Laundry	1,515	1,048	1,400	1,400
5493 Cost Allocation Charges	151,800	151,800	154,500	149,400
5700 Transfer to General Fund	49,000	59,044	78,700	53,600
TOTAL	<u>326,093</u>	<u>341,492</u>	<u>369,900</u>	<u>359,100</u>
1915 TOTAL - UTILITY EXPENSE	422,563	575,470	431,700	456,800

# City of Duluth Minnesota - 2018 Budget

## Engineering

535-500-1930

Engineering provides engineering services including design, inspection and construction locates for the stormwater collection system.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	430,945	434,789	442,900	478,700
5101 Permanent Employees - Overtime	28,362	30,893	25,000	25,000
5103 Temporary Wages	3,277	3,701	7,200	2,000
5111 Long-Term Disability Wages	-	47	-	-
5118 Meal Allowance	208	490	200	500
TOTAL	<u>462,792</u>	<u>469,920</u>	<u>475,300</u>	<u>506,200</u>
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	34,486	34,746	34,600	37,300
5122 F.I.C.A. Social Security	27,703	28,531	29,500	31,400
5123 F.I.C.A. Medicare	6,479	6,672	6,900	7,300
5125 Dental Insurance	2,416	2,271	2,300	2,300
5126 Life Insurance	1,168	988	1,100	1,100
5127 Health Care Savings	13,144	9,281	9,000	14,400
5130 Cafeteria Plan Benefits	102,693	94,603	104,300	113,000
5133 Health or Fitness Program	-	128	-	-
5141 Unemployment Compensation	636	2,968	-	-
TOTAL	<u>188,725</u>	<u>180,188</u>	<u>187,700</u>	<u>206,800</u>
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	466	663	500	500
5201 Computer Supplies	622	157	600	600
5203 Paper, Stationery and Forms	188	159	400	400
5205 Safety & Training Materials	108	184	500	500
5212 Motor Fuel	2,160	1,856	3,000	2,500
5218 Uniforms	21	501	300	500
5219 Other Miscellaneous Supplies	50	204	-	-
5240 Small Tools	683	158	800	800
5241 Small Equipment	919	5,207	4,100	2,700
5242 Survey Equipment and Supplies	1,325	3,519	5,500	7,500
5303 Engineering Services	3,914	10,021	120,000	60,000
5310 Contract Services	142	6,191	10,000	10,000
5320 Data Services	1,081	1,603	1,700	1,500
5321 Telephone	2,174	2,199	2,200	2,500

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Engineering

535-500-1930

Engineering provides engineering services including design, inspection and construction locates for the stormwater collection system.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5322 Postage	11	-	100	100
5331 Training Expenses	2,871	3,835	7,700	6,300
5335 Mileage Reimbursement	4,238	2,351	2,000	2,000
5355 Printing and Copying	450	235	300	300
5356 Copier, Printer Lease & Spplies	1,604	249	600	600
5404 Equipment Maintenance Repair	534	-	900	1,100
5409 Fleet Services	4,501	2,542	4,000	2,600
5411 Land Rental/Easements	-	-	-	10,000
5414 Software Lic & Mtc Agreements	9,997	8,967	10,900	13,700
5433 Dues and Subscriptions	172	371	400	400
5435 Books and Pamphlets	-	-	200	-
5438 Licenses	-	73	-	300
5441 Other Services and Charges	7,955	1,702	16,700	2,800
5486 One Call system	3,492	3,451	3,600	3,600
TOTAL	<u>49,678</u>	<u>56,398</u>	<u>197,000</u>	<u>133,800</u>
1930 TOTAL - ENGINEERING	701,195	706,506	860,000	846,800

# City of Duluth Minnesota - 2018 Budget

## Customer Service

535-500-1940

Customer Accounts provides billing, collection of payments and account services for utility customers.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	109,887	112,954	122,200	131,200
5101 Permanent Employees - Overtime	2,366	650	1,700	1,700
5118 Meal Allowance	20	1	-	-
TOTAL	112,273	113,605	123,900	132,900
EMPLOYEE BENEFITS				
5121 P.E.R.A.	8,100	8,110	9,000	9,700
5122 F.I.C.A. Social Security	6,814	6,882	7,700	8,200
5123 F.I.C.A. Medicare	1,593	1,609	1,800	1,900
5125 Dental Insurance	770	751	800	800
5126 Life Insurance	374	327	400	400
5127 Health Care Savings	2,194	2,220	2,400	2,000
5130 Cafeteria Plan Benefits	21,247	23,363	29,900	31,700
5133 Health or Fitness Program	-	65	-	-
TOTAL	41,092	43,327	52,000	54,700
OPERATING EXPENSES				
5200 Office Supplies	385	471	700	800
5201 Computer Supplies	223	-	300	300
5203 Paper/Stationery	97	-	200	-
5212 Motor Fuels	-	98	200	200
5241 Small Equipment	389	1,575	1,100	800
5310 Contract Services	18,004	22,500	26,000	26,000
5321 Telephone	102	102	200	200
5322 Postage	21,535	25,186	29,800	29,800
5331 Training Expense	906	838	1,200	1,200
5339 Armored Pickup	508	693	700	700
5355 Printing & Copying	631	208	1,100	1,100
5356 Copier, Printer Lease & Spplies	144	191	300	300
5401 Building Repair & Maintenance	121	-	-	-

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Customer Service

535-500-1940

Customer Accounts provides billing, collection of payments and account services for utility customers.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5404 Equipment Repair & Maintenance	105	108	200	200
5409 Fleet Services	41	29	100	100
5418 Vehicle/Equipment Lease	-	724	900	900
5427 Credit Card Commission	4,806	6,281	4,900	4,900
5432 Uncollectible Accounts	1,291	515	4,800	4,800
5441 Other Services & Charges	31	237	500	500
TOTAL	<u>49,319</u>	<u>59,756</u>	<u>73,200</u>	<u>72,800</u>
1940 TOTAL - CUSTOMER SERVICES	202,684	216,688	249,100	260,400

# City of Duluth Minnesota - 2018 Budget

## Utility Operations

535-500-1945

Utility Operations maximizes the efficiency of the stormwater system through inspection, cleaning, preventive maintenance and repairs.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>PERSONAL SERVICES</b>				
5100 Permanent Employees - Regular	906,013	913,164	922,900	813,300
5101 Permanent Employees - Overtime	73,984	71,545	77,000	89,000
5103 Other Wages	7,317	22,276	21,600	27,000
5118 Meal Allowance	1,877	2,956	1,800	2,000
TOTAL	989,191	1,009,941	1,023,300	931,300
<b>EMPLOYEE BENEFITS</b>				
5121 P.E.R.A.	70,371	72,788	73,400	66,500
5122 F.I.C.A. Social Security	60,116	61,424	63,300	57,600
5123 F.I.C.A. Medicare	14,058	14,364	14,800	13,500
5125 Dental Insurance	6,048	6,139	6,000	5,000
5126 Life Insurance	2,928	2,658	2,900	2,400
5127 Health Care Savings	18,593	20,909	21,800	17,800
5130 Cafeteria Plan Benefits	208,053	228,991	236,300	225,800
5133 Health or Fitness Program	-	180	-	-
TOTAL	380,167	407,453	418,500	388,600
<b>OPERATING EXPENSES</b>				
5200 Office Supplies	1,501	3,072	3,000	2,600
5201 Computer Supplies/Software	15	127	600	600
5205 Safety & Training Materials	7,836	6,988	4,000	4,400
5210 Plant Operating Supplies	13,650	12,249	12,100	12,100
5212 Motor Fuels	38,538	34,454	55,000	50,000
5218 Uniforms	7,859	9,147	7,600	7,600
5219 Other Miscellaneous Supplies	658	1,468	2,000	2,000
5220 Repair and Maintenance Supplies	9,379	3,606	7,800	7,500
5222 Blacktop	26,969	14,984	23,000	21,000
5224 Gravel and Other Maintenance Materials	51,494	76,119	52,000	56,000
5227 Utility Maintenance Supplies	87,251	139,325	87,000	91,500
5240 Small Tools	3,794	6,221	3,100	3,100
5241 Small Equipment	16,858	8,550	6,500	7,800
5310 Contract Services	3,258	16,767	17,200	13,200
5320 Data Services	354	100	-	-
5321 Telephone	1,258	1,249	1,300	1,300
5331 Training Expense	3,674	2,943	7,500	6,000
5333 Freight and Delivery Charges	573	265	500	600
5335 Mileage Reimbursement	4,542	3,761	3,500	4,000
5355 Printing & Copying	11,644	8,100	11,000	7,500
5356 Copier, Printer Lease & Supplies	117	78	300	300

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Utility Operations

535-500-1945

Utility Operations maximizes the efficiency of the stormwater system through inspection, cleaning, preventive maintenance and repairs.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5384 Refuse Disposal	10,385	8,961	12,000	12,000
5404 Equipment/Maintenance Repair	2,074	10,520	4,500	4,500
5409 Fleet Services	85,314	107,653	101,500	109,600
5414 Software Lic & Mtc Agreements	990	2,281	1,200	1,000
5415 Vehicle/Equip Rent	12,450	63,011	23,000	21,000
5419 Other Rentals	-	3,400	-	-
5433 Dues and Subscriptions	2,924	1,890	6,900	7,000
5438 Licenses	-	1,000	-	-
5441 Other Services & Charges	2,198	6,131	26,800	8,800
5443 Board & Meeting Expenses	510	330	-	-
5450 Laundry	5,011	4,050	4,500	3,900
5700 Transfer to General Fund	478,578	463,890	491,500	491,500
TOTAL	<u>891,656</u>	<u>1,022,690</u>	<u>976,900</u>	<u>958,400</u>
1945 TOTAL - UTILITY OPERATIONS	2,261,014	2,440,084	2,418,700	2,278,300

# City of Duluth Minnesota - 2018 Budget

## Steam Utility Fund

540

The Steam Utility Fund is a self supporting enterprise fund which accounts for the generation and distribution of steam. The major source of revenues is in metered sales to customers. Major categories of expense include purchased power, water and chemicals, and fuel.

Presented below is a tabular summary of the major categories of revenues and expenses over a four year period.

Estimated Income and Expense	2015 Actual	2016 Actual	2017 Budget	2018 Approved
<b>REVENUE</b>				
Operating	6,505,443	6,840,749	7,446,000	7,722,300
Miscellaneous	216,356	170,288	230,000	440,700
	<u>6,721,799</u>	<u>7,011,037</u>	<u>7,676,000</u>	<u>8,163,000</u>
<b>EXPENSES</b>				
Duluth Steam Co-op				
Management Contract	2,479,470	2,835,924	2,734,800	2,903,400
Fuel Expense	2,800,252	2,878,985	3,068,600	3,204,100
Other Operating &	-	-	-	-
Maintenance Expense	950,333	1,181,718	908,900	840,300
Depreciation	1,122,508	1,190,539	1,305,900	1,305,900
In Lieu of Taxes	130,109	136,815	152,800	152,800
Bond Interest	195,970	216,285	207,300	207,300
	<u>7,678,642</u>	<u>8,440,266</u>	<u>8,378,300</u>	<u>8,613,800</u>
<b>ESTIMATED OPERATING INCOME/(LOSS)</b>	(956,843)	(1,429,229)	(702,300)	(450,800)

# City of Duluth Minnesota - 2018 Budget

## Steam Utility Fund

540

Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES:				
4654 Other Reimbursements	9,349	-	-	-
4801 Off/On Charge	-	500	-	-
4802 Interest Earned on Customer Accounts	22,385	34,350	22,800	22,800
4809 Misc Non-Operating Income	10,366	7,739	11,000	11,000
4840 Energy Charge	2,659,787	2,652,666	2,949,500	3,016,800
4841 Steam Flat Rate	-	-	-	-
4842 Capacity Charge	3,272,180	3,667,605	3,956,400	4,128,000
4843 Steam Repair - Labor	4,832	1,700	4,200	4,200
4844 Steam Repair - Materials	8,743	1,648	6,000	6,000
4845 Hot Water Sales	159,461	141,739	168,500	230,200
4846 Chilled Water Capacity Charge	198,253	198,253	198,300	198,300
4847 Chilled Water Energy Charge	160,087	134,549	129,300	105,000
<b>TOTAL OPERATING REVENUES</b>	<b>6,505,443</b>	<b>6,840,749</b>	<b>7,446,000</b>	<b>7,722,300</b>
MISCELLANEOUS REVENUES:				
4210 Pass-thru Federal Grants	-	-	-	210,700
4270 Other Grants	-	-	-	-
4850 Earnings on Investments	(6,183)	4,976	-	-
4855 DECC Capacity Charge	229,071	223,653	230,000	230,000
4720 Gain/Loss on Sale Capital Assets	(117,655)	(58,341)	-	-
4730 Transfer from Special Revenue Funds	111,123	-	-	-
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>216,356</b>	<b>170,288</b>	<b>230,000</b>	<b>440,700</b>
<b>TOTAL REVENUE</b>	<b>6,721,799</b>	<b>7,011,037</b>	<b>7,676,000</b>	<b>8,163,000</b>

# City of Duluth Minnesota - 2018 Budget

## Steam Utility Fund

540

Expense Detail by Division	2015 Actual	2016 Actual	2017 Budget	2018 Approved
1490 Production	2,800,252	2,878,985	3,068,600	3,204,100
1491 Chiller Production	89,991	65,823	88,200	64,700
1492 Production Maintenance	297,893	547,635	294,000	297,000
1493 Transmission & Distribution	356,573	275,674	277,000	260,000
1494 Customer Accounting	8,191	7,486	11,900	11,900
1495 Administration & General	3,915,507	4,366,640	4,415,600	4,547,200
1497 Hot Water	45,263	21,555	15,700	21,600
1499 Debt Service & Capital	164,972	276,468	207,300	207,300
<b>TOTAL EXPENSES</b>	<b>7,678,642</b>	<b>8,440,266</b>	<b>8,378,300</b>	<b>8,613,800</b>

# City of Duluth Minnesota - 2018 Budget

## Production

540-1490

Records fuel, water, electric and other direct costs associated with the operation of the boilers and production of steam.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
5216 Chemicals	45,287	57,008	54,000	54,000
5220 Repair and Mtc Supplies	2,269	2,042	-	-
5310 Contract Services	26,405	45,808	-	-
5311 Security Services	390	-	-	-
5381 Electricity	200,467	211,363	223,000	195,700
5382 Water, Gas and Sewer	202,799	189,553	222,500	216,600
5383 Natural Gas	205,524	186,810	69,200	1,201,000
5384 Refuse Disposal	6,453	2,260	-	-
5385 Oil	33,685	27,491	36,500	24,700
5387 Coal	2,025,747	2,067,902	2,365,200	1,451,000
5388 Ash Handling	51,226	88,748	98,200	61,100
5432 Uncollectible Accounts	-	-	-	-
1490 TOTAL - PRODUCTION	2,800,252	2,878,985	3,068,600	3,204,100

# City of Duluth Minnesota - 2018 Budget

## Chiller Production

540-1491

Records the variable cost of producing and distributing chilled water.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
5216 Chemicals	13,876	17,626	7,500	7,500
5220 Repair & Mntc Supplies	11,455	13,325	6,400	6,400
5310 Contract Services	23,667	356	25,300	10,200
5381 Electricity	35,693	29,444	42,500	35,100
5382 Water, Gas & Sewer	5,300	5,072	6,500	5,500
1491 TOTAL - PRODUCTION	89,991	65,823	88,200	64,700

# City of Duluth Minnesota - 2018 Budget

## Production Maintenance

540-1492

Division operates, maintains and improves the steam distribution system to provide an adequate, reliable, and safe supply of steam to customers. It inspects the customer's equipment and assists in maintaining their steam utilization equipment.

Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
5205	Safety Equipment & Supplies	24,452	14,003	12,000	15,000
5216	Chemicals	387	-	-	-
5220	Repair Materials & Supplies	222,111	435,480	180,000	180,000
5310	Contract Services	37,512	91,160	102,000	102,000
5441	Other Services & Charges	13,431	6,992	-	-
1492	TOTAL - PRODUCTION MAINTENANCE	297,893	547,635	294,000	297,000

# City of Duluth Minnesota - 2018 Budget

## Transmission & Distribution

540-1493

Provides the materials, supplies, and contractual services when required for the operation of the distribution system, involving ten miles of line, 105 manholes, and 230 services.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
5220 Chemicals	5,494	294	-	-
5220 Repair Materials & Supplies	84,717	57,616	60,000	60,000
5310 Contract Services	265,975	217,764	217,000	200,000
5409 Fleet Services Charges	387	-	-	-
1493 TOTAL - TRANSMISSIONS & DISTRIBUTION	356,573	275,674	277,000	260,000

# City of Duluth Minnesota - 2018 Budget

## Customer Accounting

540-1494

Supports the department's operations by billing promptly and accurately for services provided. Collects, deposits, and accounts for all revenues.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
5200 Office Supplies	714	25	500	500
5322 Postage	1,477	1,461	1,200	1,200
5432 Uncollectible Accounts	6,000	6,000	10,200	10,200
1494 TOTAL - CUSTOMER ACCOUNTING	8,191	7,486	11,900	11,900

# City of Duluth Minnesota - 2018 Budget

## Administration & General

540-1495

Manages the Duluth Steam Cooperative and administers the auditing expense, insurance, depreciation, in lieu of tax, and the Duluth Steam District management contract.

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
5200 Office Supplies	5,177	5,456	3,800	3,800
5301 Audit Fees	970	1,010	1,200	1,200
5304 Legal Services	2,079	1,500	3,000	3,000
5307 Management Contract	2,479,470	2,835,924	2,734,800	2,903,400
5319 Other Professional Services	33,383	37,321	55,000	24,000
5321 Telephone Service	9,921	10,052	8,400	8,400
5322 Postage	218	32	600	600
5340 Advertising & Promotion	7,138	6,193	6,000	9,000
5361 General Liability Boiler Insurance	3,376	3,325	11,000	6,000
5384 Refuse Disposal	-	-	1,800	1,200
5404 Equipment/Machinery Repair & Mtc	449	77	3,000	3,000
5415 Vehicle/Equip Rent (Short-term)	6,443	11,939	6,000	6,000
5420 Depreciation	1,122,508	1,190,539	1,305,900	1,305,900
5433 Dues & Subscription	-	-	1,000	1,700
5438 Licenses Operating	60,244	58,190	61,000	61,000
5441 Other Services & Charges	2,902	15,671	9,600	9,600
5443 Board & Meeting Expenses	1,620	3,096	1,200	1,200
5480 Payment in Lieu of Taxes	130,109	136,815	152,800	152,800
5493 Cost Allocation	49,500	49,500	49,500	45,400
1495 TOTAL - ADMINISTRATION & GENERAL	3,915,507	4,366,640	4,415,600	4,547,200

# City of Duluth Minnesota - 2018 Budget

## Hot Water

540-1497

Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
5216 Chemicals	2,222	-	-	-
5220 Repair & Maintenance Supplies	17,299	10,950	-	6,000
5310 Contract Services	17,840	4,939	8,400	8,400
5381 Electricity	7,799	5,666	7,300	7,200
5441 Other Services & Charges	103	-	-	-
1497 TOTAL - HOT WATER	45,263	21,555	15,700	21,600

# City of Duluth Minnesota - 2018 Budget

## Debt Service

540-1499

To pay the interest expense on the outstanding bond issues and the DEDA storefront loan.

Expense Detail		2015 Actual	2016 Actual	2017 Budget	2018 Approved
5611	Bond Interest	83,970	180,884	162,500	162,500
5612	Other Debt Interest	-	-	12,400	12,400
5613	Interest from Bond Discount	-	-	-	-
5614	Capital Lease Interest	-	-	-	-
5620	Fiscal Agents Fee	700	1,738	700	700
5621	Bond Issuance/Discount Fees	72,966	-	-	-
5622	Bond Amortization	38,334	33,663	31,700	31,700
5530	Improvements Other than Bldgs	(72,065)	59,612	-	-
5580	Capital Equipment	41,067	571	-	-
1499	TOTAL - DEBT SERVICE	164,972	276,468	207,300	207,300

# City of Duluth Minnesota - 2018 Budget

## Street Lighting Fund

550

The Street Lighting Utility was created in 2009 as a self-supporting enterprise fund to provide for the operation, maintenance and improvement of the street lighting and traffic control systems.

Estimated Revenues/Expenses	2015 Actual	2016 Actual	2017 Budget	2018 Approved
REVENUE				
Operating Revenue	1,967,818	1,534,238	1,451,900	1,453,400
Non-Operating	221,387	678,349	758,600	803,600
	2,189,205	2,212,587	2,210,500	2,257,000
EXPENSE				
Personal Services	449,916	516,948	478,900	508,800
Supplies	236,583	550,045	275,500	258,400
Other Services and Charges	327,057	347,530	379,700	401,400
Utilities	661,807	664,510	680,000	705,000
Depreciation	237,572	225,374	241,900	223,000
Transfers	41,000	45,100	37,200	37,200
	1,953,935	2,349,507	2,093,200	2,133,800
ESTIMATED OPERATING				
INCOME / (LOSS)	235,270	(136,920)	117,300	123,200
Other Sources of Cash				
	248,590	260,987	241,900	223,000
Other Uses of Cash				
	(481,287)	(69,913)	(619,000)	(1,477,000)
Increase (Decrease) in Cash	2,573	54,154	(259,800)	(1,130,800)

# City of Duluth Minnesota - 2018 Budget

## Street Lighting Fund Estimated Unrestricted Cash Balance

OPERATING FUND	2017 Budget	2017 Projected	2018 Approved
ESTIMATED OPERATING INCOME (LOSS)	117,300	101,400	123,200
<u>Other Sources of Cash</u>			
Depreciation and Amortization	241,900	211,800	223,000
PERA Retirement, GASB 68	-	35,600	-
Total Other Sources of Cash	241,900	247,400	223,000
<u>Other Uses of Cash</u>			
Due to Other Funds	-	4,153	-
Capital Improvements from Current Revenues	375,000	235,000	1,200,000
Capital Equipment Purchases	244,000	54,000	277,000
Total Other Uses of Cash	619,000	293,153	1,477,000
INCREASE (DECREASE) IN CASH	(259,800)	55,647	(1,130,800)
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- BEGINNING	1,604,847	1,909,774	1,965,421
EST. UNRESTRICTED CASH AND DEBT SERVICE CASH- ENDING	1,345,047	1,965,421	834,621

# City of Duluth Minnesota - 2018 Budget

## Street Lighting Fund

550

Revenue Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING REVENUES:				
4838 Street Lighting Fee	1,913,368	1,495,427	1,407,400	1,407,400
4636 Sale of Scrap	1,126	590	1,000	1,000
4654 Other Reimbursements	39,078	25,297	18,000	21,000
4680 Damages or Losses Recovered	5,809	7,015	20,000	20,000
4802 Interest Earned	8,437	5,909	5,500	4,000
TOTAL OPERATING REVENUE	1,967,818	1,534,238	1,451,900	1,453,400
NON-OPERATING REVENUES:				
4220 Minnesota Grants - Operating	-	22,235	-	-
4005 Current Property Taxes	220,293	644,886	757,600	757,600
4010 Delinquent Property Taxes	-	2,128	1,000	1,000
4601 Change in Fair Value Investments	1,094	(4,436)	-	-
4730 Transfers from General Fund	-	13,536	-	40,000
4730 Transfers Spec Rev Funds	-	-	-	5,000
TOTAL NON-OPERATING REVENUES	221,387	678,349	758,600	803,600
TOTAL REVENUE	2,189,205	2,212,587	2,210,500	2,257,000

# City of Duluth Minnesota - 2018 Budget

## Street Lighting Fund

550

Operating Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	292,202	307,720	321,800	330,700
5101 Permanent Employees - Overtime	29,764	49,272	30,000	35,000
5103 Temporary Employees - Regular	5,088	-	-	-
5118 Meal Allowance	-	690	-	300
TOTAL	327,054	357,682	351,800	366,000
EMPLOYEE BENEFITS				
5121 P.E.R.A.	23,636	26,312	25,700	26,800
5121 P.E.R.A., GASB 68	4,634	35,613	-	-
5122 F.I.C.A. Social Security	19,984	21,718	21,800	22,700
5123 F.I.C.A. Medicare	4,674	5,079	5,100	5,300
5125 Dental Insurance	1,897	1,897	1,900	1,900
5126 Life Insurance	918	826	900	900
5127 Health Care Savings Plan	2,767	5,137	4,700	10,800
5130 Cafeteria Plan Benefits	64,352	62,354	67,000	74,400
5133 Health or Fitness Program	-	330	-	-
TOTAL	122,862	159,266	127,100	142,800
OPERATING EXPENSES				
5200 Office Supplies	1,518	1,511	1,500	1,500
5201 Computer Supplies	24	167	-	-
5205 Safety & Training	2,445	2,514	3,000	3,000
5211 Cleaning/Janitorial Supplies	3,030	2,823	2,000	3,000
5212 Motor Fuels	6,106	5,843	10,000	8,000
5218 Uniforms	2,190	1,346	2,500	2,500
5219 Other Miscellaneous Supplies	3,169	4,792	5,000	5,000
5226 Sign & Signal Supplies	49,579	69,954	63,400	63,400
5230 Street Lighting Supplies	157,467	416,183	140,000	130,000
5240 Small Tools	2,658	2,073	5,000	5,000
5241 Small Equipment	8,397	42,839	43,100	37,000
5310 Contract Services	171,759	199,342	135,000	185,000
5319 Other Professional Services	30,899	12,720	105,000	50,000

(Continued)

# City of Duluth Minnesota - 2018 Budget

## Street Lighting Fund

550

Operating Expense Detail	2015 Actual	2016 Actual	2017 Budget	2018 Approved
OPERATING EXPENSES CONTINUED				
5321 Telephone	2,487	2,665	2,400	2,700
5331 Travel/Training	3,626	2,684	4,000	4,000
5335 Mileage Reimbursement - Local	3,303	3,386	3,500	3,500
5381 Electricity	661,807	664,510	680,000	705,000
5389 Street Lighting	16,855	3,771	18,000	18,000
5401 Bldg/Structure Repair & Maintenance	49	-	500	500
5404 Equipment Repair & Maintenance	1,214	2,516	1,500	1,500
5409 Fleet Service Charges	32,564	60,296	48,000	64,500
5414 Software Lic & Mtc Agreements	1,930	1,820	200	16,900
5415 Equipment Rental	-	-	500	500
5420 Depreciation	237,572	225,374	241,900	223,000
5432 Uncollectible Accounts	1,870	(2,029)	1,000	1,500
5433 Dues & Subscriptions	85	170	100	100
5435 Books	273	-	100	100
5438 Licenses	194	-	200	200
5441 Other Services & Charges	110	586	2,700	1,000
5450 Laundry	839	603	900	900
5493 Cost Allocation	59,000	59,000	56,100	50,500
5700 Interfund Transfers Out	41,000	45,100	37,200	37,200
TOTAL	<u>1,504,019</u>	<u>1,832,559</u>	<u>1,614,300</u>	<u>1,625,000</u>
TOTAL OPERATING EXPENSES	1,953,935	2,349,507	2,093,200	2,133,800
NON-OPERATING EXPENSES				
5533 Capital Improvements - Revenue Financing	50,400	-	375,000	1,200,000
5580 Capital Equipment	422,356	-	244,000	277,000
TOTAL NON-OPERATING EXPENSES	472,756	-	619,000	1,477,000
TOTAL STREET LIGHT UTILITY	2,426,691	2,349,507	2,712,200	3,610,800

# Internal Service Funds

# City of Duluth Minnesota - 2018 Budget

## Internal Service Funds

### Funds

Self Insurance - Workers Comp  
 Self Insurance - Liability  
 Medical Health Fund  
 Dental Health Fund  
 Fleet Services

Internal Service funds account for financing of goods or services provided by one department to other departments of the City, or to other governmental units on a cost reimbursement basis.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	11,276,982	10,639,653	7,569,055	5,410,675
REVENUES				
Participation from Other Funds	12,869,943	11,611,121	24,326,402	26,313,947
Charges for Services	3,408,400	3,300,259	4,068,300	4,074,067
Miscellaneous	2,385,777	3,841,480	2,160,960	2,370,377
TOTAL REVENUES	<u>18,664,120</u>	<u>18,752,860</u>	<u>30,555,662</u>	<u>32,758,391</u>
EXPENSES				
Personal Services	2,092,490	2,430,755	2,248,000	2,321,100
Other Expenditures	4,432,068	4,240,270	4,731,699	4,813,360
Claims	11,989,092	15,152,433	25,734,343	26,296,261
TOTAL EXPENSES	<u>18,513,650</u>	<u>21,823,458</u>	<u>32,714,042</u>	<u>33,430,721</u>
FUND BALANCE - DECEMBER 31	10,639,653	7,569,055	5,410,675	4,738,345

# City of Duluth Minnesota - 2018 Budget

## Self Insurance - Worker's Compensation

605

Accounts for the payment of worker's compensation claim expenses of injured employees. It is a self-insured plan administered for the City by an outside agency.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	1,851,433	1,564,311	1,234,557	1,085,457
REVENUES				
Transfer from City Funds:				
General	500,000	600,000	600,000	800,000
Public Utility	114,200	139,000	154,800	151,300
Other Reimbursements	138,113	111,181	55,900	73,100
TOTAL REVENUES	<u>752,313</u>	<u>850,181</u>	<u>810,700</u>	<u>1,024,400</u>
EXPENSES				
Personal Services	412,952	593,937	357,300	417,000
Claims:				
Worker's Compensation	274,313	201,959	210,400	205,400
Other Services and Charges	352,170	384,039	392,100	426,700
Prior Year Adjustment - GASB 68	-	-	-	-
TOTAL EXPENSES	<u>1,039,435</u>	<u>1,179,935</u>	<u>959,800</u>	<u>1,049,100</u>
FUND BALANCE - DECEMBER 31	1,564,311	1,234,557	1,085,457	1,060,757

# City of Duluth Minnesota - 2018 Budget

## Self Insurance - Liabilities

610

Accounts for the payment of sundry insurance premiums and loss control activities, as well as the settlement of various claims, judgments and lawsuits against the City of Duluth.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	1,415,156	1,676,445	1,546,823	1,320,523
REVENUES				
Transfer from City Funds:				
General	400,000	400,000	400,000	400,000
Public Utility	188,200	149,000	52,400	121,600
Duluth Steam	3,376	3,325	3,300	20,100
Spirit Mountain	2,000	-	-	-
Duluth Airport	24,747	47,494	47,500	47,300
DEDA	23,480	20,471	18,500	24,600
Other Reimbursements	14,281	41,538	-	-
TOTAL REVENUES	<u>656,084</u>	<u>661,828</u>	<u>521,700</u>	<u>613,600</u>
EXPENSES				
Claims: Liability	38,967	454,479	339,600	275,200
Property/Boiler Insurance	155,025	178,947	158,700	184,000
Other Services and Charges	200,804	158,024	249,700	263,300
TOTAL EXPENSES	<u>394,796</u>	<u>791,450</u>	<u>748,000</u>	<u>722,500</u>
FUND BALANCE - DECEMBER 31	1,676,445	1,546,823	1,320,523	1,211,623

# City of Duluth Minnesota - 2018 Budget

## Medical Health Fund

630

Accounts for health care activities of the City's Joint Powers Enterprise self-insurance plan. Health care costs for retired and active employees of the City and participating City authorities are paid from this fund. The fund is financed by employer and employee premiums as specified in the various collective bargaining agreements. Plan oversight, including premium rate setting, is provided by the Joint Powers Enterprise Board of Trustees.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	7,139,085	7,452,191	5,167,766	3,373,725
REVENUES				
City Employer/Employee Premiums	10,833,025	9,455,926	22,243,058	23,944,819
Sub-Group Employer/Employee Premium	1,784,411	3,256,507	1,929,900	2,121,009
Miscellaneous	365,098	350,204	100,000	100,000
TOTAL REVENUES	<u>12,982,534</u>	<u>13,062,637</u>	<u>24,272,958</u>	<u>26,165,828</u>
EXPENSES				
Personal Services	255,000	320,968	322,600	355,000
Claims	10,906,603	13,743,573	24,385,231	25,049,698
Other Services and Charges	<u>1,507,825</u>	<u>1,282,521</u>	<u>1,359,168</u>	<u>1,367,356</u>
TOTAL EXPENSES	<u>12,669,428</u>	<u>15,347,062</u>	<u>26,066,999</u>	<u>26,772,054</u>
FUND BALANCE - DECEMBER 31	7,452,191	5,167,766	3,373,725	2,767,499

# City of Duluth Minnesota - 2018 Budget

## Dental Health Fund

633

To account for the collection of premiums and the payment of dental costs for employees and retirees of the City of Duluth and various outside agencies.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	162,683	192,469	249,854	266,315
REVENUES				
City Employer/Employee Premiums	780,915	795,905	806,844	804,228
Sub-Group Employer/Employee Premiums	76,493	75,283	69,360	69,468
TOTAL REVENUES	857,408	871,188	876,204	873,696
EXPENSES				
Claims	769,209	752,422	799,112	765,963
Other Services and Charges	58,413	61,381	60,631	60,574
TOTAL EXPENSES	827,622	813,803	859,743	826,537
FUND BALANCE - DECEMBER 31	192,469	249,854	266,315	313,474

# City of Duluth Minnesota - 2018 Budget

## Fleet Services

660

This internal service fund accounts for the cost to repair and maintain all vehicles and various equipment for operating departments within the general fund and the enterprise funds.

	2015 Actual	2016 Actual	2017 Budget	2018 Approved
FUND BALANCE - JANUARY 1	708,625	(245,763)	(629,945)	(635,345)
Prior Year Adjustment - GASB 68 Pension	(787,800)	-	-	-
REVENUES				
SALES & SERVICES (BY ACCOUNT):				
Fuel Sales	788,472	742,289	948,400	948,400
Fleet Repair Part Sales, Fleet Parts	1,084,981	989,823	1,300,100	916,500
Fleet Repair Part Sales, Sublet Part Sales	-	-	-	330,110
Fleet Repair Services, Fleet Labor	1,534,947	1,568,147	1,819,800	1,673,327
Fleet Repair Services, Sublet Labor	-	-	-	205,730
TOTAL SALES & SERVICES	3,408,400	3,300,259	4,068,300	4,074,067
SALES & SERVICES (BY FUND):				
General Fund	2,629,631	2,486,614	3,062,200	3,112,067
Parks Fund	3,202	2,626	4,500	4,000
Golf Fund	3,366	-	-	-
Parking Fund	5,631	10,733	9,000	8,700
Water and Gas	444,900	408,904	583,800	514,900
Sewer	152,044	176,219	186,600	196,900
Stormwater	130,569	146,982	164,200	165,000
Steam	387	2,042	-	-
Street Light Utility	38,670	66,139	58,000	72,500
TOTAL SALES & SERVICES	3,408,400	3,300,259	4,068,300	4,074,067
Other Revenue	7,381	6,767	5,800	6,800
TOTAL REVENUES	3,415,781	3,307,026	4,074,100	4,080,867
EXPENSES				
Personal Services	1,005,063	1,022,442	1,101,800	1,086,500
Benefits	419,475	493,408	466,300	462,600
Other Expenses	2,157,831	2,175,358	2,511,400	2,511,430
TOTAL EXPENSES	3,582,369	3,691,208	4,079,500	4,060,530
FUND BALANCE - DECEMBER 31	(245,763)	(629,945)	(635,345)	(615,008)

# City of Duluth Minnesota - 2018 Budget

## Fleet Services - Personnel Summary

660

	2015 Budget	2016 Budget	2017 Budget	2018 Approved
1115 Maintenance Operations Manager	0.25	0.25	0.00	0.00
1100 Manager, Fleet Services	1.00	1.00	1.00	1.00
133 Budget & Operations Analyst	0.10	0.10	0.20	0.20
32 Fleet Services Leadworker	1.00	1.00	2.00	2.00
28 Fleet Assistant	2.00	2.00	1.00	1.00
28 Heavy Equipment Mechanic	6.00	6.00	6.00	6.00
28 Welder	2.00	2.00	2.00	2.00
27 Industrial Equipment Technician	1.00	1.00	1.00	1.00
27 Storekeeper	1.00	1.00	1.00	1.00
27 Vehicle Repair Specialist	0.00	0.00	0.00	1.00
25 Equipment Maintenance Specialist	2.00	2.00	2.00	0.00
25 Vehicle Maintenance Technician	0.00	0.00	0.00	1.00
24 Assistant Storekeeper	1.00	1.00	1.00	1.00
22 Maintenance Worker	1.00	1.00	1.00	0.00
Division Total	18.35	18.35	18.20	17.20

# City of Duluth Minnesota - 2018 Budget

## Fleet Services

660-015

EXPENSE DETAIL	2015 Actual	2016 Actual	2017 Budget	2018 Approved
PERSONAL SERVICES				
5100 Permanent Employees - Regular	992,193	1,016,867	1,081,800	1,066,500
5101 Permanent Employees - Overtime	6,789	5,575	20,000	20,000
5103 Other Wages	6,081	-	-	-
TOTAL	1,005,063	1,022,442	1,101,800	1,086,500
5121 P.E.R.A.	70,681	73,778	80,000	78,200
5121 P.E.R.A., GASB 68	13,882	86,927	-	-
5122 F.I.C.A. Social Security	60,929	61,921	68,300	67,400
5123 F.I.C.A. Medicare	14,249	14,482	16,000	15,700
5125 Dental Insurance	6,516	6,516	6,800	6,400
5126 Life Insurance	4,569	4,180	3,300	3,100
5127 Health Care Savings Plan	17,164	16,192	25,700	20,000
5130 Cafeteria Plan Benefits	231,485	229,412	266,200	271,800
5133 5133 Health or Fitness Program	-	-	-	-
5141 5141 Unemployment Compensation	-	-	-	-
TOTAL	419,475	493,408	466,300	462,600
OTHER EXPENDITURES				
5200 Office Supplies	2,229	1,661	2,000	1,500
5201 Computer Supplies/Software	1,100	909	1,000	5,800
5205 Safety & Training Materials	1,882	2,188	2,500	1,500
5210 Plant/Operating Supplies	14,165	15,520	16,000	11,000
5211 Cleaning/Janitorial Supplies	215	851	4,500	4,000
5212 Motor Fuel	791,756	744,872	948,400	948,400
5215 Shop Materials	15,914	13,215	16,900	16,100
5219 Other Miscellaneous Supplies	9,169	1,978	10,000	9,500
5221 Equipment Repair Supplies	938,818	946,424	1,000,100	1,000,100
5240 Small Tools	8,281	10,301	11,000	2,400
5241 Small Equipment	1,077	-	2,000	2,000
5305 Medical Services/Testing Fees	-	-	-	-
5319 Other Professional Services	-	499	-	-
5320 Data Services	4,200	7,920	8,000	7,500
5321 Telephone	813	890	500	-

(Continued)

# City of Duluth Minnesota - 2018 Budget

Fleet Services

660-015

**EXPENSE DETAIL**

2015 Actual	2016 Actual	2017 Budget	2018 Approved
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OPERATING EXPENSES CONTINUED

5331	Travel/Training	6,743	2,024	2,000	1,500
5356	Copier, Printer Lease & Supplies	2,607	3,152	5,000	5,000
5381	Electricity	16,363	14,667	17,000	17,000
5382	Water, Gas and Sewer	13,111	11,812	17,000	17,000
5384	Refuse Disposal	662	1,129	2,800	2,800
5401	Building Structure Repair	716	1,096	3,000	3,000
5404	Equipment Repair & Maintenance	143,297	204,070	202,700	202,730
5414	Software Licenses & Maintenance	1,860	1,750	1,900	11,900
5419	Other Rental	-	-	1,500	1,000
5420	Depreciation	49,066	56,666	60,800	63,800
5438	Licenses	957	6,980	2,000	7,000
5441	Other Services and Charges	15,745	8,841	18,000	18,000
5450	Laundry	8,885	7,743	18,000	15,000
5493	Cost Allocation Charges	108,200	108,200	136,800	135,900
	<b>TOTAL</b>	<b>2,157,831</b>	<b>2,175,358</b>	<b>2,511,400</b>	<b>2,511,430</b>

CAPTIAL EXPENDITURES

5580	Capital Equipment	38,783	100,745	-	-
	<b>TOTAL</b>	<b>38,783</b>	<b>100,745</b>	<b>-</b>	<b>-</b>

	<b>TOTAL EXPENSES</b>	<b>3,621,152</b>	<b>3,791,953</b>	<b>4,079,500</b>	<b>4,060,530</b>
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# CAPITAL PROGRAM

# CAPITAL IMPROVEMENT PLAN

The City of Duluth's Capital Budget and Plan addresses current and future improvements to the City's infrastructure, facilities, and properties by combining elements of both budgeting (current year needs) and planning (five-year plan). The purpose of the capital budget is two-fold: first, to prioritize and fund the most urgent needs in the coming year's budget; and secondly, to identify future capital needs with sufficient lead time so decisions may be made to our best advantage.

The City's capital budget includes capital improvement projects to City infrastructure, such as facility enhancements and expansion, upgrades to parks and trails, and improvements to streets and utilities. Also included in the capital budget are capital equipment rolling stock, such as public safety and maintenance vehicles, and non-rolling stock such as technology and public safety equipment. This section presents a summary of the 2018 capital improvement budget and the 2018 through 2022 capital improvement plans.

## 2018 Proposed Improvements

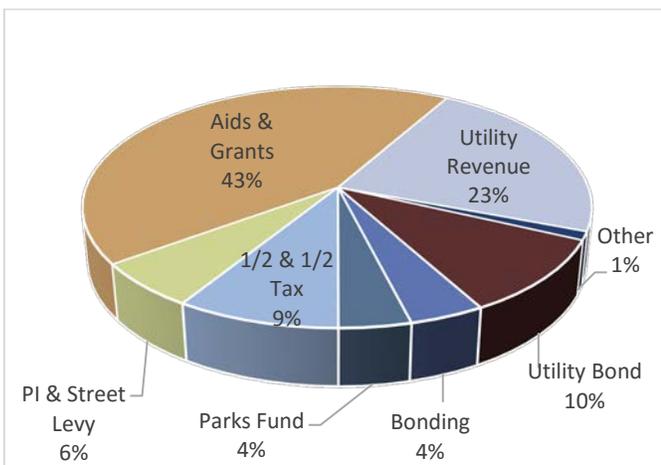
The 2018 capital improvement program outlines total proposed projects in the amount of \$35,288,029 funded through various sources including bonding, the Parks fund, the 1/2 and 1/2 tax, state and federal grants, the Permanent Improvement fund, the Street System Maintenance levy, and utilities revenue. Included in the capital improvement budget are projects for facilities, parks and trails, streets and bridges, and the Water, Gas, Sewer, Stormwater and Street Lighting utilities. The chart below shows the breakdown of funding for the 2018 program.

Capital improvements to city buildings and infrastructure will be funded by issuing a capital improvement bond in the amount of \$1,450,000.

Parks and trails are to be funded by federal grants totaling \$2,614,015; state grants totaling \$1,088,000; St Louis River Corridor bond proceeds (1/2 and 1/2 tax) of \$3,146,329; other Grants and Donations totaling \$1,917,600; other City funding totaling \$394,000; and the Parks fund contribution of \$1,383,500 for a combined program total of \$10,543,444.

The Street and Bridge Improvement and Preservation program for 2018 totals \$11,789,585. Funding sources include \$9,653,304 from aids and grants, \$280,000 from property tax dollars levied in the Permanent Improvement fund, and \$1,856,281 from the Street System Maintenance levy.

2018 Capital Utility Projects total \$11,505,000 and will be funded with \$7,955,000 of utility revenue and \$3,550,000 of a Utility Bond.

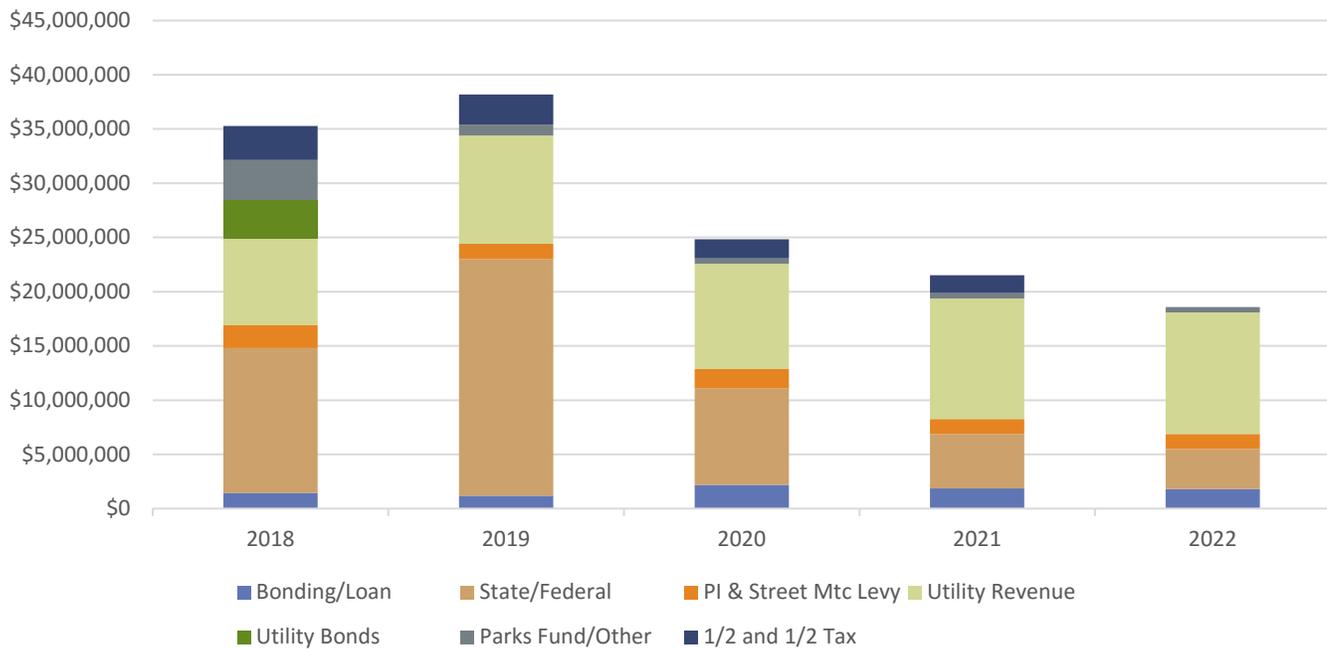


Bonding	\$1,450,000
Parks Fund	\$1,383,500
1/2 & 1/2 Tax	\$3,146,329
PI & Street Levy	\$2,136,281
Aids & Grants	\$15,272,919
Utility Revenue	\$7,955,000
Utility Bond	\$3,550,000
Other	\$394,000
	<hr/>
	\$35,288,029

## Five Year Improvement Plan Funding

The City has identified \$138.40 million in improvements along with funding sources over the course of the next five years. The City will bond for certain types of improvements as allowed in State Statute. As can be seen below, over the next five years, the City is proposing to bond for a total of \$8.49 million in capital improvements.

Shown in the chart below are the funding sources by year for the five-year capital improvement plan.



	2018	2019	2020	2021	2022	Total
<b>Bonding/Loan</b>	1,450,000	1,200,000	2,175,000	1,870,000	1,800,000	<b>8,495,000</b>
<b>State/Federal</b>	13,355,319	21,823,048	8,910,000	5,007,150	3,700,000	<b>52,795,517</b>
<b>PI &amp; Street Mtc Levy</b>	2,136,281	1,393,221	1,774,855	1,380,000	1,380,000	<b>8,064,357</b>
<b>Utility Revenue</b>	7,955,000	9,980,000	9,710,000	11,125,000	11,195,000	<b>49,965,000</b>
<b>Utility Bonds</b>	3,550,000	0	0	0	0	<b>3,550,000</b>
<b>Parks Fund/Other</b>	3,695,100	1,007,050	500,000	500,000	500,000	<b>6,202,150</b>
<b>1/2 and 1/2 Tax</b>	3,146,329	2,770,000	1,770,000	1,650,000	0	<b>9,336,329</b>
<b>Total Plan</b>	<b>35,288,029</b>	<b>38,173,319</b>	<b>24,839,855</b>	<b>21,532,150</b>	<b>18,575,000</b>	<b>138,408,353</b>

## 2018 CAPITAL IMPROVEMENTS PROGRAM FUNDING SOURCES

	Bond	Parks Fund	1/2 & 1/2 Tax	PI/ Prior Yr PI	Aids/ Grants	Street Mtce Levy	Utility Rev/Bond	Other	Total
<b>Facilities</b>									
CIP Eligible VFA Bldg Improvements	550,000	-	-	-	-	-	-	-	550,000
Maintenance Bldg Improvements	150,000	-	-	-	-	-	-	-	150,000
Civic Buildings	325,000	-	-	-	-	-	-	-	325,000
Public Safety Buildings (Fire/Police)	425,000	-	-	-	-	-	-	-	425,000
	1,450,000	-	-	-	-	-	-	-	1,450,000
<b>Parks and Trails</b>									
Major Parks	-	106,000	1,824,000	-	3,085,100	-	-	394,000	5,409,100
Other Neighborhood Parks	-	504,500	181,265	-	147,500	-	-	-	833,265
Parks - Contingency	-	280,000	-	-	-	-	-	-	280,000
Paved Trails	-	120,000	347,000	-	1,722,951	-	-	-	2,189,951
Crushed Stone Trails	-	-	719,064	-	589,064	-	-	-	1,308,128
Natural Surface Trails	-	-	75,000	-	75,000	-	-	-	150,000
Trails - Contingency	-	373,000	-	-	-	-	-	-	373,000
	-	1,383,500	3,146,329	-	5,619,615	-	-	394,000	10,543,444
<b>Street &amp; Bridge Reconstruction and Preservation Program</b>									
Superior Street	-	-	-	-	7,300,000	526,281	-	-	7,826,281
9th and 8th Street Recondition	-	-	-	-	1,703,304	-	-	-	1,703,304
Aerial Lift Bridge Paint & Repairs	-	-	-	-	300,000	-	-	-	300,000
Misc. Annual Infrastructure	-	-	-	280,000	-	100,000	-	-	380,000
Waseca Industrial Blvd Extension	-	-	-	-	350,000	-	-	-	350,000
Street Preservation	-	-	-	-	-	1,230,000	-	-	1,230,000
	-	-	-	280,000	9,653,304	1,856,281	-	-	11,789,585
<b>Capital Utility Projects</b>									
2nd Avenue across Mesaba	-	-	-	-	-	-	250,000	-	250,000
Corrosion on 42-inch	-	-	-	-	-	-	80,000	-	80,000
Lakewood Plant Fascia	-	-	-	-	-	-	100,000	-	100,000
Lakewood Plant Roof	-	-	-	-	-	-	450,000	-	450,000
Superior Street Reconstruction	-	-	-	-	-	-	5,175,000	-	5,175,000
Water Capital Projects Contingency	-	-	-	-	-	-	90,000	-	90,000
Building Shells for Regulator Stations	-	-	-	-	-	-	85,000	-	85,000
Gas Main Extensions & Services	-	-	-	-	-	-	1,340,000	-	1,340,000
Meter Relocations	-	-	-	-	-	-	250,000	-	250,000
Riveness Flow Meter	-	-	-	-	-	-	75,000	-	75,000
Transmission In-Line-Inspection	-	-	-	-	-	-	160,000	-	160,000
Upper Woodland Ave. Gas Project	-	-	-	-	-	-	900,000	-	900,000
Lift Station Improvements	-	-	-	-	-	-	450,000	-	450,000
Sanitary Sewer Rehab/Reline	-	-	-	-	-	-	1,000,000	-	1,000,000
Annual Street Projects	-	-	-	-	-	-	100,000	-	100,000
Brewery Creek Tuckpointing	-	-	-	-	-	-	260,000	-	260,000
City-wide Driveway Culvert Project	-	-	-	-	-	-	65,000	-	65,000
Commonwealth Ave. Reconstruction	-	-	-	-	-	-	85,000	-	85,000
Gary New Duluth System	-	-	-	-	-	-	100,000	-	100,000
Greys Creek	-	-	-	-	-	-	75,000	-	75,000
Norton Road & Thurber Road	-	-	-	-	-	-	40,000	-	40,000
Intersection Signal Replacements	-	-	-	-	-	-	300,000	-	300,000
Signals and Lights Ethernet	-	-	-	-	-	-	75,000	-	75,000
	-	-	-	-	-	-	11,505,000	-	11,505,000
	1,450,000	1,383,500	3,146,329	280,000	15,272,919	1,856,281	11,505,000	394,000	35,288,029

## 2018-2022 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2018	2019	2020	2021	2022	Total
<b>Capital Improvement Program</b>						
CIP Eligible VFA Building Improvements	550,000	470,000	675,000	1,215,000	1,075,000	3,985,000
Fleet building Improvements	-	-	-	75,000	350,000	425,000
42nd Tool House Improvements	-	-	250,000	-	-	250,000
40th Tool House Improvements	-	75,000	-	-	-	75,000
Lund Tool House Improvements	75,000	-	-	-	-	75,000
Tree Farm/Riley Road Improvements	75,000	-	-	-	-	75,000
City Center West Improvements	-	-	-	50,000	-	50,000
Library Improvements	325,000	-	400,000	-	-	725,000
Firehall #1 Improvements	100,000	55,000	500,000	100,000	-	755,000
Firehall #2 Improvements	-	200,000	-	160,000	-	360,000
Firehall #7 Improvements	-	-	-	70,000	125,000	195,000
Firehall #8 Improvements	75,000	-	-	-	-	75,000
Firehall #10 Improvements	25,000	325,000	125,000	-	-	475,000
Fire Hall VFA Improvements	100,000	-	125,000	125,000	150,000	500,000
Public Safety Building (Police)	125,000	75,000	100,000	75,000	100,000	475,000
<b>Capital Improvement Program Total</b>	<b>1,450,000</b>	<b>1,200,000</b>	<b>2,175,000</b>	<b>1,870,000</b>	<b>1,800,000</b>	<b>8,495,000</b>
<b>Parks and Trails</b>						
Major Parks	5,409,100	-	-	-	-	5,409,100
Other Neighborhood Parks	833,265	270,000	270,000	180,000	-	1,553,265
Parks - Contingency	280,000	1,300,000	1,300,000	1,300,000	300,000	4,480,000
Paved Trails	2,189,951	-	-	-	-	2,189,951
Crushed Stone Trails	1,308,128	-	-	-	-	1,308,128
Natural Surface Trails	150,000	1,600,000	-	-	-	1,750,000
Trails - Contingency	373,000	700,000	700,000	670,000	200,000	2,643,000
<b>Parks and Trails Total</b>	<b>10,543,444</b>	<b>3,870,000</b>	<b>2,270,000</b>	<b>2,150,000</b>	<b>500,000</b>	<b>19,333,444</b>
<b>Street &amp; Bridge Reconstruction and Preservation Program</b>						
Superior Street	7,826,281	7,826,281	7,694,855	2,000,000	2,000,000	27,347,417
9th and 8th Street Recondition	1,703,304	-	-	-	-	1,703,304
Garfield Ave CPR	-	298,048	-	-	-	298,048
Rice Lake/Arlington/Arrowhead Intersection	-	250,000	-	-	-	250,000
Arrowhead & Woodland Signal Replacement	-	175,000	-	-	-	175,000
Decker Road	-	1,400,000	-	-	-	1,400,000
Aerial Lift Bridge Paint & Structural Repairs	300,000	10,000,000	-	-	-	10,300,000
East 3rd Street Recondition	-	-	1,610,000	-	-	1,610,000
Misc. Annual Infrastructure	380,000	380,000	380,000	380,000	380,000	1,900,000
Upper Woodland (Redwing & Austin)	-	243,990	-	-	-	243,990
Railroad Street	-	-	-	1,717,150	-	1,717,150
ADA Upgrades at Lake & 5th Ave W Bridges	-	-	-	90,000	-	90,000
Street Preservation	1,230,000	300,000	1,000,000	2,200,000	2,700,000	7,430,000
Waseca Industrial Blvd Extension	350,000	2,250,000	-	-	-	2,600,000
<b>Street, Bridge and Preservation Total</b>	<b>11,789,585</b>	<b>23,123,319</b>	<b>10,684,855</b>	<b>6,387,150</b>	<b>5,080,000</b>	<b>57,064,909</b>

## 2018-2022 CAPITAL IMPROVEMENTS PROGRAM PROJECT SUMMARY

	2018	2019	2020	2021	2022	Total
<b>Capital Utility Projects</b>						
2nd Avenue across Mesaba	250,000	-	-	-	-	250,000
24th Ave W	-	450,000	-	-	-	450,000
Corrosion on 42-inch	80,000	80,000	-	-	-	160,000
East Superior St. Services off 42-inch	-	-	-	1,300,000	-	1,300,000
Duluth Heights Main Replacement	-	425,000	1,350,000	1,840,000	-	3,615,000
Hidden Valley	-	1,050,000	-	-	-	1,050,000
Lakewood Rd. Easement	-	-	-	570,000	-	570,000
Lakewood Plant Fascia	100,000	-	-	-	-	100,000
Lakewood Plant Roof	450,000	-	-	-	-	450,000
McCuen Street (MNDOT)	-	350,000	-	-	-	350,000
Middle Pump Station	-	-	-	200,000	2,400,000	2,600,000
Superior Street Reconstruction	3,550,000	-	2,000,000	-	-	5,550,000
Water Capital Projects Contingency	90,000	300,000	330,000	390,000	440,000	1,550,000
Water Plant Electrical Upgrades	-	-	-	-	2,000,000	2,000,000
Upper Woodland Ave. (County)	-	600,000	-	-	-	600,000
3rd St, Vernon, 2nd Street Alley	-	200,000	-	-	-	200,000
20th & 23rd Ave. W, 10th Street	-	-	-	500,000	500,000	1,000,000
58th Avenue West	-	-	200,000	-	-	200,000
Building Shells for Regulator Stations	85,000	85,000	-	-	-	170,000
Gas Main Extensions & Services	1,340,000	1,500,000	1,500,000	1,500,000	1,500,000	7,340,000
Gogebic Culverts (MNDOT)	-	-	-	100,000	-	100,000
Meter Relocations	250,000	250,000	250,000	250,000	-	1,000,000
Michigan Street Gas Project	-	-	-	120,000	-	120,000
Riveness Flow Meter	75,000	-	-	-	-	75,000
Steel Main Replacements	-	-	500,000	500,000	500,000	1,500,000
Stora Enso Flow Meter	-	100,000	-	-	-	100,000
Transmission In-Line-Inspection	160,000	-	-	-	-	160,000
Upper Woodland Ave. Gas Project	900,000	-	-	-	-	900,000
Lift Station Improvements	450,000	450,000	450,000	450,000	450,000	2,250,000
Sanitary Sewer Rehab/Reline	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000	7,000,000
Superior Street Lining	500,000	500,000	-	-	-	1,000,000
Annual Street Projects	100,000	100,000	100,000	100,000	100,000	500,000
Block Long Culvert & Ditch System	-	-	-	-	450,000	450,000
Brewery Creek Tuckpointing	260,000	-	-	-	-	260,000
City-wide Down Drains	-	-	355,000	-	355,000	710,000
City-wide Driveway Culvert Project	65,000	75,000	50,000	50,000	50,000	290,000
Clarkhouse Creek	-	70,000	-	200,000	-	270,000
Commonwealth Ave. Reconstruction	85,000	-	-	-	-	85,000
Gary New Duluth System	100,000	-	100,000	100,000	-	300,000
Greys Creek	75,000	-	200,000	-	-	275,000
Kenwood Ave. Box Culvert	-	120,000	-	-	-	120,000
Lower Coffee Creek	-	75,000	-	100,000	100,000	275,000
McCuen St (TH39) MNDOT	-	200,000	-	-	-	200,000
Norton Road & Thurber Road	40,000	25,000	-	555,000	-	620,000
Piedmont Heights System	-	-	100,000	100,000	-	200,000
Superior Street Culvert Extensions	-	-	-	-	150,000	150,000
Superior Street Reconstruction	300,000	300,000	300,000	-	-	900,000
Woodland/Calvary Reconstruction	-	250,000	-	-	-	250,000
Intersection Signal Replacements	300,000	-	100,000	600,000	600,000	1,600,000
Signals and Lights Ethernet	75,000	100,000	100,000	100,000	100,000	475,000
Superior Street	825,000	825,000	225,000	-	-	1,875,000
<b>Capital Utility Projects Total</b>	<b>11,505,000</b>	<b>9,980,000</b>	<b>9,710,000</b>	<b>11,125,000</b>	<b>11,195,000</b>	<b>53,515,000</b>
<b>GRAND TOTAL</b>	<b>35,288,029</b>	<b>38,173,319</b>	<b>24,839,855</b>	<b>21,532,150</b>	<b>18,575,000</b>	<b>138,408,353</b>

## 5 YEAR CAPITAL IMPROVEMENTS PROGRAM BY FUNDING SOURCE

	2018	2019	2020	2021	2022	Total
Bond	1,450,000	1,200,000	2,175,000	1,870,000	1,800,000	8,495,000
Parks Fund	1,383,500	500,000	500,000	500,000	500,000	3,383,500
1/2 & 1/2 Tax	3,146,329	2,770,000	1,770,000	1,650,000	-	9,336,329
Permanent Improvement Fund	280,000	280,000	280,000	280,000	280,000	1,400,000
Street System Maintenance Levy	1,856,281	1,113,221	1,494,855	1,100,000	1,100,000	6,664,357
Federal Grants	3,217,319	3,048,438	1,110,000	1,285,000	-	8,660,757
State Funding						
State Bridge Bond	-	8,700,000	-	-	-	8,700,000
MSA	9,050,000	10,074,610	7,800,000	3,722,150	3,700,000	34,346,760
DNR	-	-	-	-	-	-
Grants	1,088,000	-	-	-	-	1,088,000
Other Funding Sources	2,311,600	507,050	-	-	-	2,818,650
Utilities - Bond	3,550,000	-	-	-	-	3,550,000
Utilities - Current Year Revenue						
Water	970,000	3,255,000	3,680,000	4,300,000	4,840,000	17,045,000
Gas	2,810,000	2,135,000	2,450,000	2,970,000	2,500,000	12,865,000
Sewer	1,950,000	2,450,000	1,950,000	1,950,000	1,950,000	10,250,000
Stormwater	1,025,000	1,215,000	1,205,000	1,205,000	1,205,000	5,855,000
Street Lighting	1,200,000	925,000	425,000	700,000	700,000	3,950,000
	7,955,000	9,980,000	9,710,000	11,125,000	11,195,000	49,965,000
<b>TOTAL ALL FUNDING SOURCES</b>	<b>35,288,029</b>	<b>38,173,319</b>	<b>24,839,855</b>	<b>21,532,150</b>	<b>18,575,000</b>	<b>138,408,353</b>

# Facilities Capital Improvement Plan

## Capital Improvement Program Summary

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### Operating Cost Implications of Proposed Projects:

The Capital Improvement Program is the principal funding program the City uses to make large, planned improvements and corrections to its building inventory and infrastructure. It traditionally consists of issuing general obligation bonds for city hall, public safety facilities, libraries and public works facilities. The City maintains 148 structures with an average age of over 40 years. These structures require continued accessibility and code compliance efforts.

<b>Projects</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
CIP Eligible VFA Building Improvements	550,000	470,000	675,000	1,215,000	1,075,000	3,985,000
Maintenance Buildings Improvements	150,000	75,000	250,000	75,000	350,000	900,000
Civic Buildings (CCW/City Hall/Library)	325,000	-	400,000	50,000	-	775,000
Public Safety Buildings (Fire/Police)	425,000	655,000	850,000	530,000	375,000	2,835,000
<b>Total</b>	<b>1,450,000</b>	<b>1,200,000</b>	<b>2,175,000</b>	<b>1,870,000</b>	<b>1,800,000</b>	<b>8,495,000</b>

<b>Funding</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
Capital Improvement Bond	1,450,000	1,200,000	2,175,000	1,870,000	1,800,000	8,495,000

## CIP Eligible VFA Building Improvements

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**Description:**

It is important to maintain a city-wide program of facility system replacements and accessibility compliance for structures. Many remote sites need masonry tuck pointing; this is our primary point of water migration into finished spaces. We have damaged window heads, sills and parapets which also need repairs. Additionally, many remote sites are being heated with boilers or furnaces which are 20 years old and beyond. Replacing these with modern, high efficient units with electronic controls can realize significant annual energy savings over the continued life of the structure. All of these types of system replacements and facility upgrades are aimed at keeping these public buildings in the best state of repair and function possible with the funding available.

<b>Project</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
CIP Eligible VFA Building Improvements	550,000	470,000	675,000	1,215,000	1,075,000	3,985,000
<b>Total</b>	550,000	470,000	675,000	1,215,000	1,075,000	3,985,000

<b>Funding</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
Capital Improvement Bond	550,000	470,000	675,000	1,215,000	1,075,000	3,985,000

## CIP Eligible VFA Building Improvements

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**Project Title:**

CIP Eligible VFA Building Improvements

**Description:**

These fund improvements related to deferred maintenance, end-of-life-cycle systems, and other facility improvement requirements identified in the City's asset management system.

**Funding Source:**

FY 2018-2022

Capital Improvement Bond

3,985,000



## Maintenance

**Description:**

As a group of CIP eligible facilities, the Maintenance buildings that support the activities of Property and Facilities Management and Maintenance Operations represent some of the most rapidly deteriorating CIP eligible facilities that the City currently owns. Each of these facilities have significant capital needs that are extremely critical to maintain facility integrity and to continue operations as viable assets housing core City services. The group of maintenance facilities represents many challenges and opportunities. As part of a longer term strategy for this element of the portfolio, the reality that most of these facilities have capital improvement needs in excess of 50% of their replacement value has driven Property and Facilities Management to consider investments that are primarily aimed at maintaining the facility integrity and ensuring the safety and comfort of City staff working out of these facilities while not significantly improving the assets. As assets, this group of buildings have significant value for potential resale, as most are located on prime real estate, and should a longer term solution aimed at a total consolidation of maintenance activities into one newly constricted facility come to fruition, the focus of this part of the capital plan is on – primarily – maintaining the status quo in a manner that sufficiently meets the operational needs and protects the assets from significant deterioration over the next 5 years.

<b>Project</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
Fleet building Improvements	-	-	-	75,000	350,000	425,000
42nd Tool House Improvements	-	-	250,000	-	-	250,000
40th Tool House Improvements	-	75,000	-	-	-	75,000
Lund Tool House Improvements	75,000	-	-	-	-	75,000
Tree Farm/Riley Road Improvements	75,000	-	-	-	-	75,000
<b>Total</b>	<b>150,000</b>	<b>75,000</b>	<b>250,000</b>	<b>75,000</b>	<b>350,000</b>	<b>900,000</b>

<b>Funding</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
Capital Improvement Bond	150,000	75,000	250,000	75,000	350,000	900,000

# Maintenance

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**Project Title:**

Fleet Building Improvements

**Description:**

Interior upgrades to office and workspaces and roof replacement.



**Funding Source:**

FY 2021-2022

Capital Improvement Bond 425,000

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**Project Title:**

42nd Tool House Improvements

**Description:**

Structural study and repair of building envelope.



**Funding Source:**

FY 2020

Capital Improvement Bond 250,000

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**Project Title:**

40th Tool House Improvements

**Description:**

Improvements to salt shed.



**Funding Source:**

FY 2019

Capital Improvement Bond 75,000

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**Project Title:**

Lund Tool House Improvements

**Description:**

Improvements to salt shed.



**Funding Source:**

FY 2018

Capital Improvement Bond 75,000

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**Project Title:**

Tree Farm/Riley Road Improvements

**Description:**

Addition of new salt shed.



**Funding Source:**

FY 2018

Capital Improvement Bond 75,000

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## Civic (City Center West/City Hall/Library)

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**Description:**

These are the public facing facilities that are owned and operated by the City. Much of the activity in these facilities support the operation of City business by housing staff and serving and points of direct engagement with the public seeking City services such as Construction Services, Planning, Engineering, City Clerk, Elections, Public Library, City Council, Public Commissions and the like. These investments constituent renewal and improvement of core facility infrastructure systems such as lighting, HVAC, emergency systems, and building envelope improvements.

<b>Project</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
City Center West Improvements	-	-	-	50,000	-	50,000
Library Improvements	325,000	-	400,000	-	-	725,000
<b>Total</b>	<b>325,000</b>	<b>-</b>	<b>400,000</b>	<b>50,000</b>	<b>-</b>	<b>775,000</b>

<b>Funding</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
Capital Improvement Bond	325,000	-	400,000	50,000	-	775,000

## Civic (City Center West/City Hall/Library)

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**Project Title:**

City Center West Improvements

**Description:**

Flooring and paint in office areas.

**Funding Source:**

FY 2021

Capital Improvement Bond 50,000

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**Project Title:**

Library Improvements

**Description:**

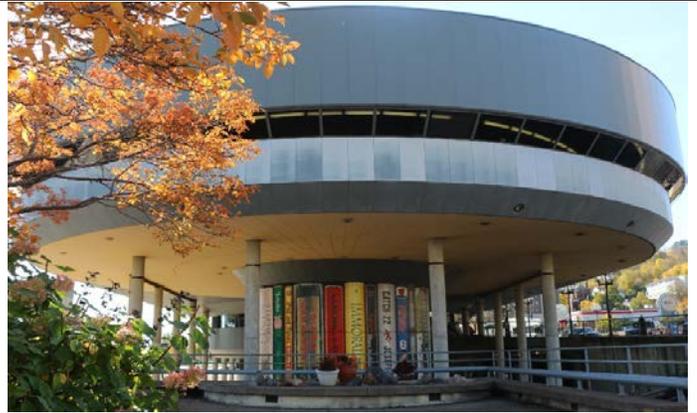
Repair water mitigation issues, improve lighting and building controls, and upgrade elevator.

**Funding Source:**

FY 2018, 2020

Capital Improvement Bond 725,000

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## Public Safety (Fire/Police)

**Description:**

Over the next five years, the City is proposing to invest \$2.8 million in capital maintenance projects at firehalls and police facilities throughout the City. There are remodeling projects to accommodate staff reorganizations as part of the Fire Department consolidation plan. Energy improvements consist of installing new windows and overhead doors, lighting, building controls and replacing furnaces and roofs. Repair and maintenance projects consist of masonry and brick repair, as well as resolving drainage issues and replacing driveways, apparatus bay doors, heating systems, ventilation systems and deferred maintenance requirements identified by the City asset management system (VFA).

Project	2018	2019	2020	2021	2022	Total
Firehall #1 Improvements	100,000	55,000	500,000	100,000	-	755,000
Firehall #2 Improvements	-	200,000	-	160,000	-	360,000
Firehall #7 Improvements	-	-	-	70,000	125,000	195,000
Firehall #8 Improvements	75,000	-	-	-	-	75,000
Firehall #10 Improvements	25,000	325,000	125,000	-	-	475,000
Fire Hall VFA Improvements	100,000	-	125,000	125,000	150,000	500,000
Public Safety Building (Police)	125,000	75,000	100,000	75,000	100,000	475,000
<b>Total</b>	<b>425,000</b>	<b>655,000</b>	<b>850,000</b>	<b>530,000</b>	<b>375,000</b>	<b>2,835,000</b>

Funding	2018	2019	2020	2021	2022	Total
Capital Improvement Bond	425,000	655,000	850,000	530,000	375,000	2,835,000

## Public Safety (Fire/Police)

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**Project Title:**

Firehall #1 Improvements

**Description:**

Apparatus bay floor structural upgrades, general remodeling in kitchen and living space areas, vehicle exhaust ventilation, and building controls.



**Funding Source:**

FY 2018-2021

Capital Improvement Bond 755,000

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**Project Title:**

Firehall #2 Improvements

**Description:**

Interior remodeling and roof replacement.



**Funding Source:**

FY 2019, 2021

Capital Improvement Bond 360,000

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**Project Title:**

Firehall #7 Improvements

**Description:**

Kitchen remodeling and electrical distribution improvements.



**Funding Source:**

FY 2021-2022

Capital Improvement Bond 195,000

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**Project Title:**

Firehall #8 Improvements

**Description:**

Turnout area/hose tower ventilation.



**Funding Source:**

FY 2018

Capital Improvement Bond 75,000

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## Public Safety (Fire/Police)

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**Project Title:**

Firehall #10 Improvements

**Description:**

HVAC study/system replacement and exterior improvements.



**Funding Source:**

2018-2020

Capital Improvement Bond 475,000

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**Project Title:**

Public Safety Building (Police) Improvements

**Description:**

Facility study for Animal Shelter & Firing Range and VFA end-of-life-cycle facility improvement requirements.



**Funding Source:**

FY 2018-2022

Capital Improvement Bond 475,000

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**Project Title:**

Fire Hall VFA Improvements

**Description:**

General VFA end-of-life-cycle and deferred maintenance improvements.



**Funding Source:**

FY 2018, 2020-2022

Capital Improvement Bond 500,000

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# **Parks and Trails**

## Parks and Trails Summary

### Description:

Park and trail capital projects are funded from three major sources: Parks Fund, 1/2 and 1/2 tax, and federal and state grants. The Parks Fund allocates monies each year for small park and trail capital projects (usually less than \$100,000 each). The 1/2 and 1/2 tax was authorized in 2014 to fund a total of \$18 million park, trail, and outdoor recreation projects in the St. Louis River Corridor. The 1/2 and 1/2 tax and the Parks Fund are used to leverage state and federal grants that increase the magnitude of park and trail capital improvements. Selection and design of capital projects is shaped by input and direction from the community, Parks Commission, and City Council.

Projects	2018	2019	2020	2021	2022	Total
Trails	4,021,079	2,300,000	700,000	670,000	200,000	7,891,079
Parks	6,522,365	1,570,000	1,570,000	1,480,000	300,000	11,442,365
<b>Total</b>	<b>10,543,444</b>	<b>3,870,000</b>	<b>2,270,000</b>	<b>2,150,000</b>	<b>500,000</b>	<b>19,333,444</b>

Funding	2018	2019	2020	2021	2022	Total
Federal Grant	2,614,015	150,000	-	-	-	2,764,015
State Grant	1,088,000	-	-	-	-	1,088,000
Other Grants/Donations	1,917,600	450,000	-	-	-	2,367,600
Parks Fund	1,383,500	500,000	500,000	500,000	500,000	3,383,500
Other City Funding	394,000	-	-	-	-	394,000
1/2 and 1/2 Tax	3,146,329	2,770,000	1,770,000	1,650,000	-	9,336,329
<b>Total</b>	<b>10,543,444</b>	<b>3,870,000</b>	<b>2,270,000</b>	<b>2,150,000</b>	<b>500,000</b>	<b>19,333,444</b>

## Parks Detail

Project	2018	2019	2020	2021	2022	Total
Other Neighborhood Parks	833,265	270,000	270,000	180,000	-	1,553,265
Kayak Bay Road, Trail & Water Access	3,172,000	-	-	-	-	3,172,000
Lincoln Park Restoration	1,565,100	-	-	-	-	1,565,100
Wade/Wheeler Ball Field Improvements	268,000	-	-	-	-	268,000
Chambers Grove Restoration/Interpretive Trail	304,000	-	-	-	-	304,000
Memorial Park - Veteran's Memorial	100,000	-	-	-	-	100,000
Parks - Contingency	280,000	1,300,000	1,300,000	1,300,000	300,000	4,480,000
<b>Total</b>	<b>6,522,365</b>	<b>1,570,000</b>	<b>1,570,000</b>	<b>1,480,000</b>	<b>300,000</b>	<b>11,442,365</b>

Funding	2018	2019	2020	2021	2022	Total
Federal Grant	940,000	-	-	-	-	940,000
State Grant	450,000	-	-	-	-	450,000
Other Grants/Donations	1,842,600	-	-	-	-	1,842,600
Parks Fund	890,500	300,000	300,000	300,000	300,000	2,090,500
Other City Funding	394,000	-	-	-	-	394,000
1/2 and 1/2 Tax	2,005,265	1,270,000	1,270,000	1,180,000	-	5,725,265
<b>Total</b>	<b>6,522,365</b>	<b>1,570,000</b>	<b>1,570,000</b>	<b>1,480,000</b>	<b>300,000</b>	<b>11,442,365</b>

City of Duluth 2018-2022 Capital Improvement Plan

2018 Parks Projects

Other Neighborhood Parks

Funding Source:

Federal Grants	47,500
Kayak 1 1/2 and 1/2 Tax	181,265
Other Grants/Donations	100,000
Parks Fund	504,500
<b>Total</b>	<b>833,265</b>



Lincoln Park Restoration

Funding Source:

Federal Grants	792,500
Parks Fund	37,500
1/2 and 1/2 Tax	550,000
Other Grants/Donations	185,100
<b>Total</b>	<b>1,565,100</b>



Wade/Wheeler Ball Field Improvements

Funding Source:

Other Grants/Donations	32,500
Parks Fund	40,500
Other City Funding	37,000
1/2 and 1/2 Tax	158,000
<b>Total</b>	<b>268,000</b>



Kayak Bay Road, Trail & Water Access

Funding Source:

State Grants	450,000
Other Grants/Donations	1,525,000
Other City Funding	357,000
1/2 and 1/2 Tax	840,000
<b>Total</b>	<b>3,172,000</b>



City of Duluth 2018-2022 Capital Improvement Plan

2018 Parks Projects

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Chambers Grove Restoration/Interpretive Trail

Funding Source:

Federal Grants	100,000
Parks Fund	28,000
1/2 and 1/2 Tax	176,000
<b>Total</b>	<b>304,000</b>



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Memorial Park - Veteran's Memorial

Funding Source:

1/2 and 1/2 Tax	100,000
<b>Total</b>	<b>100,000</b>



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Parks - Contingency

Funding Source:

Parks Fund	280,000
<b>Total</b>	<b>280,000</b>



## Trails Detail

<b>Project</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
Cross City Trail	2,069,951	-	-	-	-	2,069,951
Grand Avenue Nordic Center	-	1,600,000	-	-	-	1,600,000
DWP Trail System	1,130,000	-	-	-	-	1,130,000
Western Waterfront Trail Wayfinding	178,128	-	-	-	-	178,128
Lakewalk Mini-Master Plan	120,000	-	-	-	-	120,000
All-Weather Mountain Biking Trail	150,000	-	-	-	-	150,000
Trails - Contingency	373,000	700,000	700,000	670,000	200,000	2,643,000
<b>Total</b>	<b>4,021,079</b>	<b>2,300,000</b>	<b>700,000</b>	<b>670,000</b>	<b>200,000</b>	<b>7,891,079</b>

<b>Funding</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
Federal Grant	1,674,015	150,000	-	-	-	1,824,015
State Grant	638,000	-	-	-	-	638,000
Other Grants/Donations	75,000	450,000	-	-	-	525,000
Parks Fund	493,000	200,000	200,000	200,000	200,000	1,293,000
1/2 and 1/2 Tax	1,141,064	1,500,000	500,000	470,000	-	3,611,064
<b>Total</b>	<b>4,021,079</b>	<b>2,300,000</b>	<b>700,000</b>	<b>670,000</b>	<b>200,000</b>	<b>7,891,079</b>

City of Duluth 2018-2022 Capital Improvement Plan

2018 Trails Projects

**Western Waterfront Trail Wayfinding**

**Funding Source:**

Federal Grants	89,064
1/2 and 1/2 Tax	89,064
<b>Total</b>	<b>178,128</b>



**Lakewalk Mini-Master Plan**

**Funding Source:**

Parks Fund	120,000
<b>Total</b>	<b>120,000</b>



**All-Weather Mountain Biking Trail**

**Funding Source:**

Other Grants/Donations	75,000
1/2 and 1/2 Tax	75,000
<b>Total</b>	<b>150,000</b>



**Trails - Contingency**

**Funding Source:**

Parks Fund	373,000
<b>Total</b>	<b>373,000</b>



City of Duluth 2018-2022 Capital Improvement Plan

2018 Trails Projects

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Cross City Trail

Funding Source:

Federal Grants	1,284,951
State Grants	438,000
1/2 and 1/2 Tax	347,000
<b>Total</b>	<b>2,069,951</b>

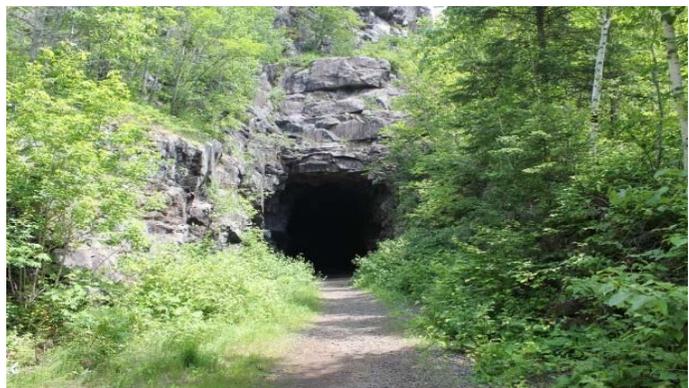


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DWP Trail System

Funding Source:

Federal Grants	300,000
State Grants	200,000
1/2 and 1/2 Tax	630,000
<b>Total</b>	<b>1,130,000</b>



# **Street and Bridge Reconstruction and Preservation Program**

## Street Improvement & Bridge Projects Summary

### Description:

These projects include street reconstruction, street preservation and bridge maintenance. Funding sources include municipal state aid, federal funds, grants, street system maintenance utility, St. Louis County, developer contributions, and utility revenue.

### Operating Cost Implications of 2018 Approved Projects:

Typically, operating costs for street maintenance remain fairly constant as the same number of streets are overlaid or reconstructed annually. The Superior Street reconstruction project from 2018-2020 will require significant investment from multiple funding sources for multiple years.

Project	2018	2019	2020	2021	2022	Total
Superior Street	7,826,281	7,826,281	7,694,855	2,000,000	2,000,000	27,347,417
9th and 8th Street Recondition	1,703,304					1,703,304
Garfield Ave CPR		298,048				298,048
Rice Lake/Arlington/Arrowhead Intersection		250,000				250,000
Arrowhead & Woodland Signal Replacement		175,000				175,000
Decker Road		1,400,000				1,400,000
Aerial Lift Bridge Paint & Structural Repairs	300,000	10,000,000				10,300,000
East 3rd Street Recondition			1,610,000			1,610,000
Misc. Annual Infrastructure	380,000	380,000	380,000	380,000	380,000	1,900,000
Upper Woodland (Redwing & Austin)		243,990				243,990
Railroad Street				1,717,150		1,717,150
ADA Upgrades at Lake & 5th Ave W Bridges				90,000		90,000
Street Preservation	1,230,000	300,000	1,000,000	2,200,000	2,700,000	7,430,000
Waseca Industrial Blvd Extension	350,000	2,250,000				2,600,000
<b>Total</b>	<b>11,789,585</b>	<b>23,123,319</b>	<b>10,684,855</b>	<b>6,387,150</b>	<b>5,080,000</b>	<b>57,064,909</b>

Funding	2018	2019	2020	2021	2022	Total
Federal	603,304	1,098,438	1,110,000	1,285,000	-	4,096,742
State	9,050,000	20,574,610	7,800,000	3,722,150	3,700,000	44,846,760
Street System Mtce Utility	\$1,856,281	1,113,221	1,494,855	1,100,000	1,100,000	6,664,357
Permanent Improvement	280,000	280,000	280,000	280,000	280,000	1,400,000
Other		57,050				57,050
<b>Total</b>	<b>11,789,585</b>	<b>23,123,319</b>	<b>10,684,855</b>	<b>6,387,150</b>	<b>5,080,000</b>	<b>57,064,909</b>

## Miscellaneous Annual Infrastructure

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**Description:**

Miscellaneous annual infrastructure projects include those that are funded by the permanent improvement property tax levy, street system maintenance utility, and limited use of special assessments to the affected property owner. Permanent improvement projects are generally limited to intersections, bridges, and other items that are not eligible for other funding sources. These projects may include repair or replacement of the brick streets and sidewalks, concrete sidewalks, a portion of the utility trench patch program, one way street conversions, retaining walls, and guard rail repair.

<b>Project</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
Permanent Improvements	200,000	200,000	200,000	200,000	200,000	1,000,000
Patch & Sidewalks	180,000	180,000	180,000	180,000	180,000	900,000
<b>Total</b>	<b>380,000</b>	<b>380,000</b>	<b>380,000</b>	<b>380,000</b>	<b>380,000</b>	<b>1,900,000</b>

<b>Funding</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Total</b>
PI Fund	280,000	280,000	280,000	280,000	280,000	1,400,000
Street System Mtce Utility	100,000	100,000	100,000	100,000	100,000	500,000
<b>Total</b>	<b>380,000</b>	<b>380,000</b>	<b>380,000</b>	<b>380,000</b>	<b>380,000</b>	<b>1,900,000</b>

## Street Improvement & Bridge Projects

**Project Title:**

9th Street/8th Street Recondition- Design & Const  
6th Ave E to Woodland Ave

**Funding Source:**

	2018
Federal	603,304
MSA	1,100,000
	\$1,703,304
<b>PROJECT TOTAL:</b>	

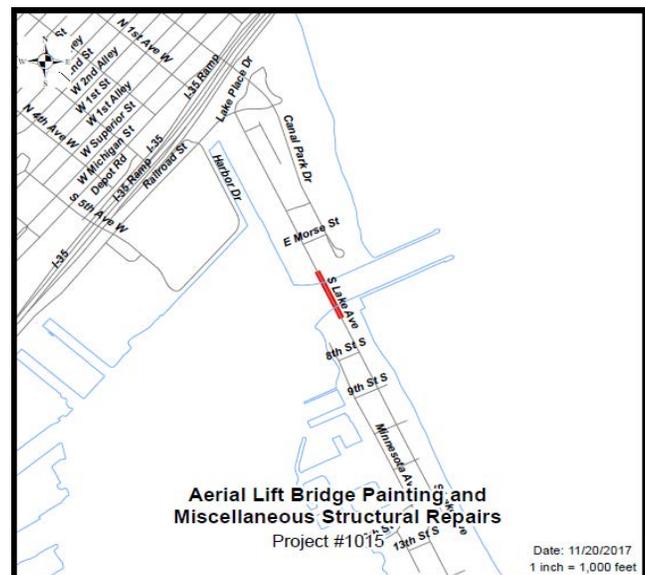


**Project Title:**

Aerial Lift Bridge  
Painting and Misc. Structural Repairs

**Funding Source:**

	2018 and 2019
MSA	1,600,000
State Bridge Bond	8,700,000
	\$10,300,000
<b>PROJECT TOTAL:</b>	





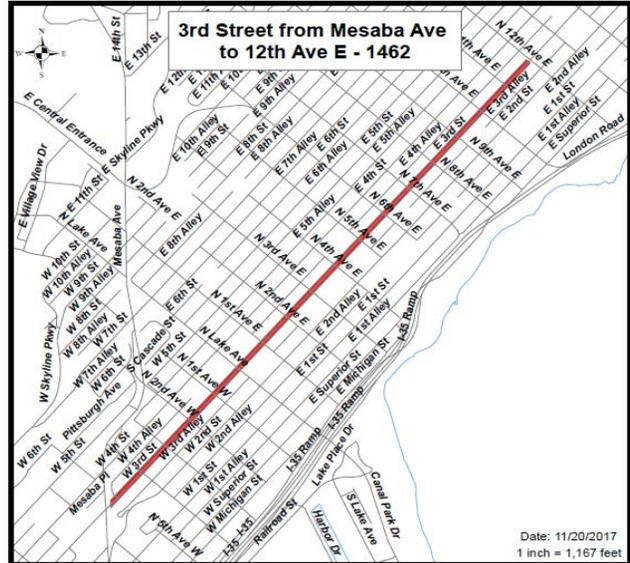
# Street Improvement & Bridge Projects

**Project Title:**

E 3rd Street Recondition  
 Mesaba to 12th Avenue E

**Funding Source:**

	2020
Federal	1,110,000
MSA	500,000
	PROJECT TOTAL: \$1,610,000

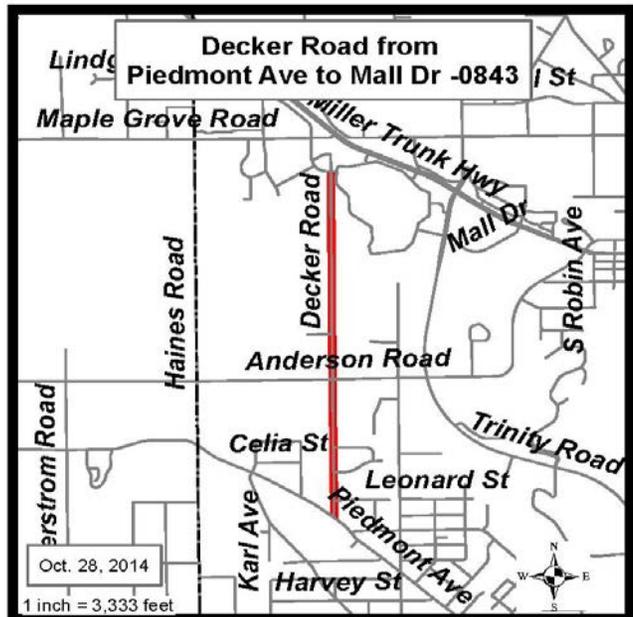


**Project Title:**

Decker Road Mill and Overlay  
 Piedmont Avenue to Mall Drive

**Funding Source:**

	2019
Federal	860,000
MSA	540,000
Street Improvement Subtotal	1,400,000
Water	12,500
Utility Projects Subtotal	12,500
PROJECT TOTAL:	\$1,412,500



# Street Improvement & Bridge Projects

**Project Title:**

Superior Street Reconstruction:  
**Construction Timeline & Detailed Plans at:**  
[www.superiorstreet.org](http://www.superiorstreet.org)

**Funding Source:**

	2018-2020
MSA	25,900,000
Street System Mtce Utility	1,447,417
Street Improvement Subtotal	27,347,417
Street Lighting Utility	1,875,000
Water	5,550,000
Gas	90,000
Sanitary	1,000,000
Storm	900,000
Utility Projects Subtotal	9,415,000

**PROJECT TOTAL:**  
   
\$36,762,417



**Project Title:**

Railroad Street  
 Lake Avenue to Garfield Avenue

**Funding Source:**

	2021
Federal	\$1,285,000
MSA	\$432,150

**PROJECT TOTAL:** \$1,717,150



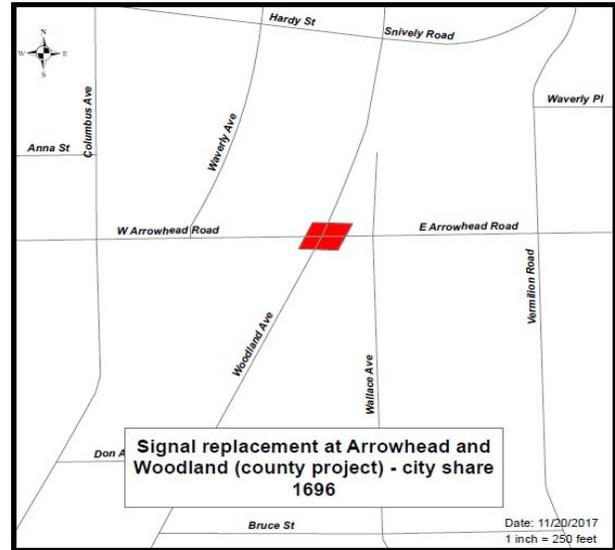
# Street Improvement & Bridge Projects

**Project Title:**

Arrowhead & Woodland Signal replacement  
(County Project -City Share)

**Funding Source:**

	2019
MSA	\$175,000
<b>PROJECT TOTAL:</b>	<b>\$175,000</b>

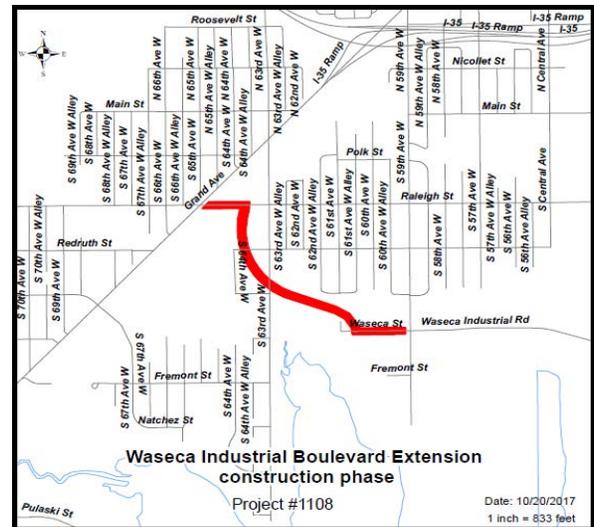


**Project Title:**

Waseca Industrial Blvd Extension

**Funding Source:**

	2018-2019
TED Grant	\$1,800,000
MSA	\$800,000
<b>PROJECT TOTAL:</b>	<b>\$2,600,000</b>



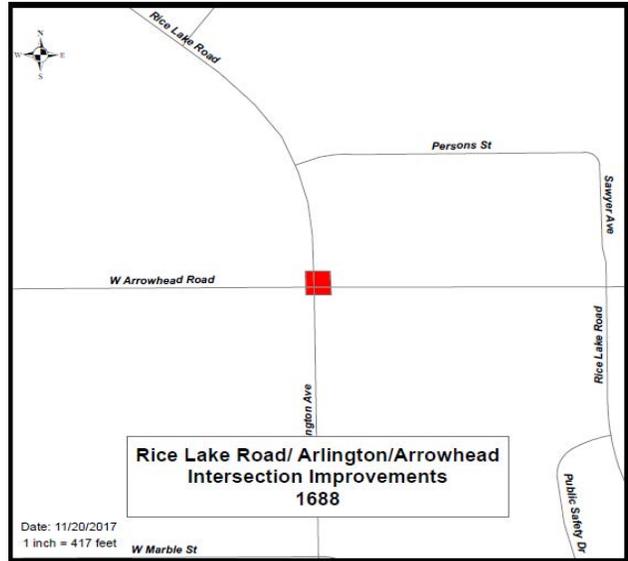
## Street Improvement & Bridge Projects

**Project Title:**

Rice Lake/Arlington/Arrowhead Intersection  
(City Share of County Project)

**Funding Source:**

	<u>2019</u>
MSA	250,000
<b>PROJECT TOTAL:</b>	<b>\$250,000</b>



**Project Title:**

Street Preservation Projects  
Various Locations

NO MAP AVAILABLE

**Funding Source:**

	<u>2018-2022</u>
MSA	2,900,000
Street System Mtce Utility	4,530,000
<b>PROJECT TOTAL:</b>	<b>\$7,430,000</b>

# Street Improvement & Bridge Projects

**Project Title:**

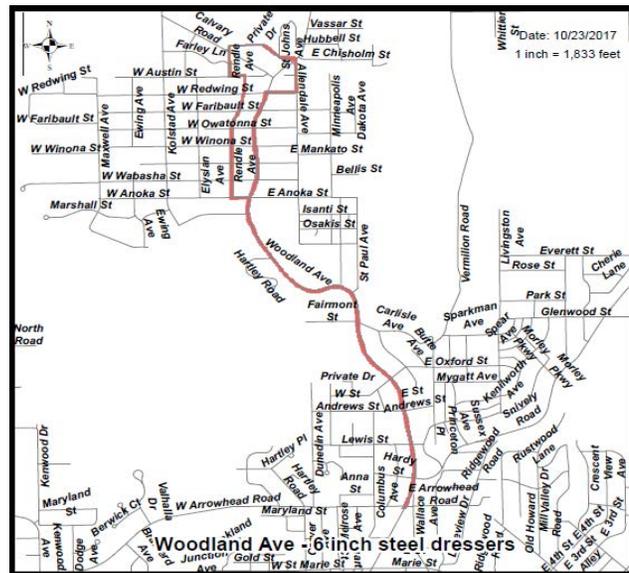
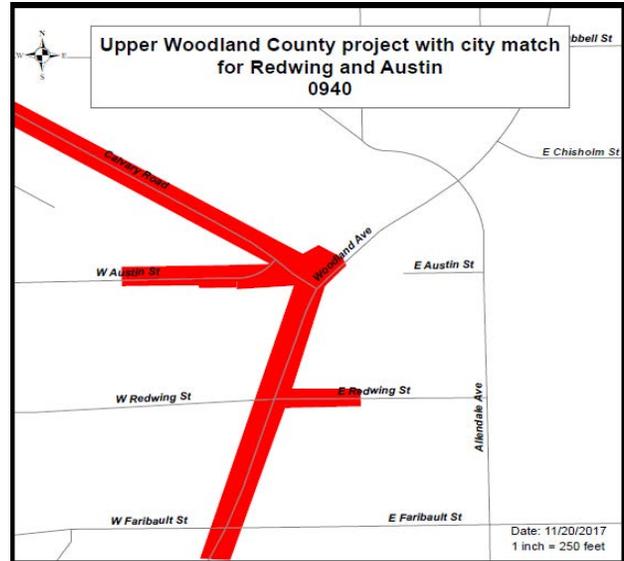
Upper Woodland (Redwing & Austin)  
(County Project with City Match)

**Funding Source:**

2018-2019

Special Assessment	57,050
Street System Mtce Utility	186,940
Water	600,000
Gas (Lower Map)	900,000

**PROJECT TOTAL:** \$1,743,990



# Capital Utility Projects

## Capital Utility Projects Summary

Utility projects within the five year capital improvement plan primarily focus on the continued rehabilitation and replacement of aging infrastructure, as well as the continued extension of the city's natural gas system.

### Operating Cost Implications of 2018 Approved Projects:

The Water Fund projects are for replacement and rehabilitation of the water system to increase system reliability and will have no operating expense impact. The Gas Fund projects will have very little operating expense impact with the exception of the gas main extensions, which will have minimal maintenance and corrosion protection costs offset by new customer account revenue. Sanitary Sewer projects for rehabilitation and relining will provide future savings to sanitary sewer treatment costs through a reduction of inflow and infiltration flows. Stormwater projects will result in indirect savings through cost avoidance of surface water damage. Street Lighting's signal system replacements provides cost avoidance of maintenance on temporary fixtures.

Projects	2018	2019	2020	2021	2022	Total
Water	4,520,000	3,255,000	3,680,000	4,300,000	4,840,000	20,595,000
Gas	2,810,000	2,135,000	2,450,000	2,970,000	2,500,000	12,865,000
Sewer	1,950,000	2,450,000	1,950,000	1,950,000	1,950,000	10,250,000
Stormwater	1,025,000	1,215,000	1,205,000	1,205,000	1,205,000	5,855,000
Street Lighting	1,200,000	925,000	425,000	700,000	700,000	3,950,000
<b>Total</b>	<b>11,505,000</b>	<b>9,980,000</b>	<b>9,710,000</b>	<b>11,125,000</b>	<b>11,195,000</b>	<b>53,515,000</b>

Funding	2018	2019	2020	2021	2022	Total
Water Improvement Bonds	3,550,000	0	0	0	0	3,550,000
Water - Current Revenue	970,000	3,255,000	3,680,000	4,300,000	4,840,000	17,045,000
Gas - Current Revenue	2,810,000	2,135,000	2,450,000	2,970,000	2,500,000	12,865,000
Sewer - Current Revenue	1,950,000	2,450,000	1,950,000	1,950,000	1,950,000	10,250,000
Stormwater - Current Revenue	1,025,000	1,215,000	1,205,000	1,205,000	1,205,000	5,855,000
Street Lighting - Current Revenue	1,200,000	925,000	425,000	700,000	700,000	3,950,000
<b>Total</b>	<b>11,505,000</b>	<b>9,980,000</b>	<b>9,710,000</b>	<b>11,125,000</b>	<b>11,195,000</b>	<b>53,515,000</b>

## Capital Utility Projects

**Description:** **Water Capital Projects**

The proposed water projects over the next five years include updating aging infrastructure by replacing those distribution mains with a high number of recurring leaks. Rehabilitation of primary transmission lines and pump station upgrades will increase system reliability to meet water demand. Significant facility improvements are required at the Lakewood Water Treatment Plant. Built in 1975, this facility is aging and requires renovation of electrical systems as well as structural repairs to both the treatment plant and pump building. Considerable funds will be spent during years 2018-2020 on the reconstruction of water mains for the Downtown Superior Street project.

Project	2018	2019	2020	2021	2022	Total
2nd Avenue across Mesaba	250,000					250,000
24th Ave W		450,000				450,000
Corrosion on 42-inch	80,000	80,000				160,000
East Superior St. Services off 42-inch				1,300,000		1,300,000
Duluth Heights Main Replacement		425,000	1,350,000	1,840,000		3,615,000
Hidden Valley		1,050,000				1,050,000
Lakewood Rd. Easement				570,000		570,000
Lakewood Plant Fascia	100,000					100,000
Lakewood Plant Roof	450,000					450,000
McCuen Street (MNDOT)		350,000				350,000
Middle Pump Station				200,000	2,400,000	2,600,000
Superior Street Reconstruction	3,550,000		2,000,000			5,550,000
Water Capital Projects Contingency	90,000	300,000	330,000	390,000	440,000	1,550,000
Water Plant Electrical Upgrades					2,000,000	2,000,000
Upper Woodland Ave. (County)		600,000				600,000
<b>Total</b>	<b>4,520,000</b>	<b>3,255,000</b>	<b>3,680,000</b>	<b>4,300,000</b>	<b>4,840,000</b>	<b>20,595,000</b>

Funding	2018	2019	2020	2021	2022	Total
Water Improvement Bonds	3,550,000					3,550,000
Water - Current Revenue	970,000	3,255,000	3,680,000	4,300,000	4,840,000	17,045,000

## Capital Utility Projects

**Description:** **Natural Gas Capital Projects**

The proposed gas projects over the next five years include the continued extension of the system into unserved areas and the relocation of gas meters due to code requirements. Other significant costs include projects to replace existing thin wall plastic mains and older steel mains where leaks occur.

Project	2018	2019	2020	2021	2022	Total
3rd St, Vernon, 2nd Street Alley		200,000				200,000
20th & 23rd Ave. W, 10th Street				500,000	500,000	1,000,000
58th Avenue West			200,000			200,000
Building Shells for Regulator Stations	85,000	85,000				170,000
Gas Main Extensions & Services	1,340,000	1,500,000	1,500,000	1,500,000	1,500,000	7,340,000
Gogebic Culverts (MNDOT)				100,000		100,000
Meter Relocations	250,000	250,000	250,000	250,000		1,000,000
Michigan Street Gas Project				120,000		120,000
Riveness Flow Meter	75,000					75,000
Steel Main Replacements			500,000	500,000	500,000	1,500,000
Stora Enso Flow Meter		100,000				100,000
Transmission In-Line-Inspection	160,000					160,000
Upper Woodland Ave. Gas Project	900,000					900,000
<b>Total</b>	<b>2,810,000</b>	<b>2,135,000</b>	<b>2,450,000</b>	<b>2,970,000</b>	<b>2,500,000</b>	<b>12,865,000</b>

Funding	2018	2019	2020	2021	2022	Total
Gas - Current Revenue	2,810,000	2,135,000	2,450,000	2,970,000	2,500,000	12,865,000



## Capital Utility Projects

**Description:** **Stormwater Capital Projects**

The proposed stormwater projects over the next five years include continued replacement of failing storm sewer lines and large culverts. Reconstruction of Brewery, Clarkhouse, Greys and Lower Coffee Creeks is planned to repair deteriorated public infrastructure. Significant future costs will occur in the repair and replacement of storm sewer in steep slope areas that discharge into streams located throughout the city. Downtown Superior Street reconstruction will occur during years 2018-2020.

Project	2018	2019	2020	2021	2022	Total
Annual Street Projects	100,000	100,000	100,000	100,000	100,000	500,000
Block Long Culvert & Ditch System					450,000	450,000
Brewery Creek Tuckpointing	260,000					260,000
City-wide Down Drains			355,000		355,000	710,000
City-wide Driveway Culvert Project	65,000	75,000	50,000	50,000	50,000	290,000
Clarkhouse Creek		70,000		200,000		270,000
Commonwealth Ave. Reconstruction	85,000					85,000
Gary New Duluth System	100,000		100,000	100,000		300,000
Greys Creek	75,000		200,000			275,000
Kenwood Ave. Box Culvert		120,000				120,000
Lower Coffee Creek		75,000		100,000	100,000	275,000
McCuen St (TH39) MNDOT		200,000				200,000
Norton Road & Thurber Road	40,000	25,000		555,000		620,000
Piedmont Heights System			100,000	100,000		200,000
Superior Street Culvert Extensions					150,000	150,000
Superior Street Reconstruction	300,000	300,000	300,000			900,000
Woodland/Calvary Reconstruction		250,000				250,000
<b>Total</b>	<b>1,025,000</b>	<b>1,215,000</b>	<b>1,205,000</b>	<b>1,205,000</b>	<b>1,205,000</b>	<b>5,855,000</b>

Funding	2018	2019	2020	2021	2022	Total
Stormwater - Current Revenue	1,025,000	1,215,000	1,205,000	1,205,000	1,205,000	5,855,000

## Capital Utility Projects

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**Description:** Street Lighting Capital Projects

The proposed street lighting capital plan over the next five years will utilize most resources on the replacement of signal and lighting systems for the Downtown Superior Street project. It also includes funding to provide city-wide communications connectivity to signals and lighting systems, as well as replacements of temporary signal systems at specific intersections.

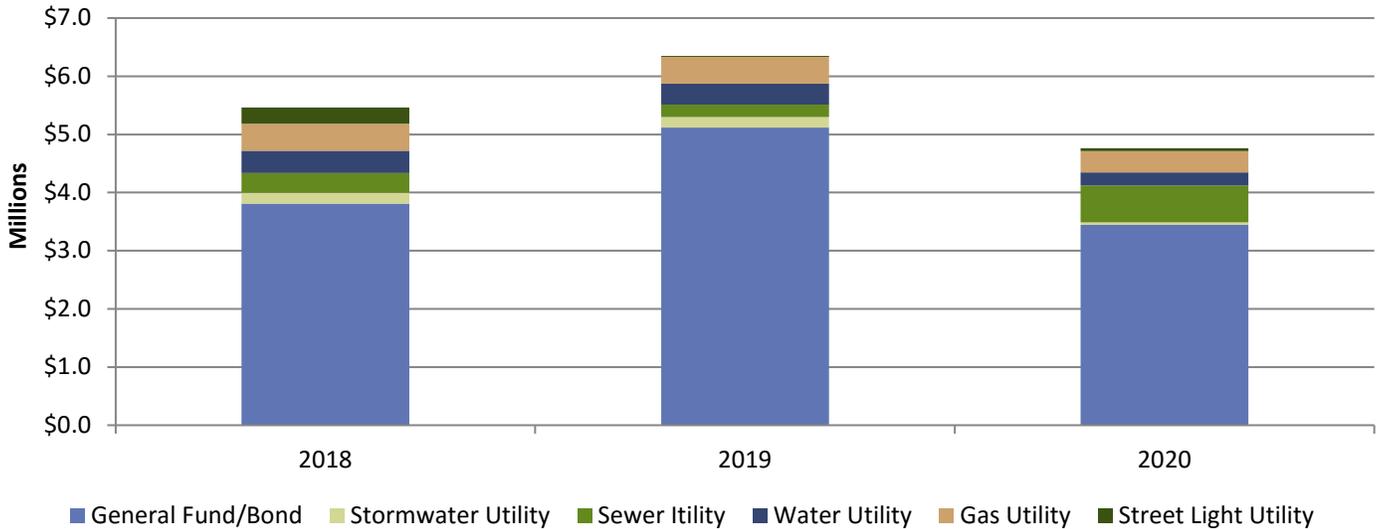
Project	2018	2019	2020	2021	2022	Total
Intersection Signal Replacement	300,000		100,000	600,000	600,000	1,600,000
Signals and Lights Ethernet Superior Street	75,000	100,000	100,000	100,000	100,000	475,000
	825,000	825,000	225,000			1,875,000
<b>Total</b>	<b>1,200,000</b>	<b>925,000</b>	<b>425,000</b>	<b>700,000</b>	<b>700,000</b>	<b>3,950,000</b>

Funding	2018	2019	2020	2021	2022	Total
Street Lighting - Current Revenue and Property Taxes	1,200,000	925,000	425,000	700,000	700,000	3,950,000

# CAPITAL EQUIPMENT PLAN

## Three Year Equipment Plan

The objective of the City's three-year equipment plan is to maintain city equipment by budgeting an adequate dollar amount annually for replacement on a timely basis. \$16.6 million is proposed in this plan for the period of 2018 through 2020. Of that total, equipment for the General Fund is \$12.4 million to be financed with bonds. The balance of \$4.2 million is proposed for the combined enterprise funds of Water, Gas, Stormwater, Sewer, and Street Lighting. Shown in the chart below are the various funding sources by year for the plan.



	2018	2019	2020	Total
General Fund/Bond	3,812,000	5,120,225	3,444,895	12,377,120
Stormwater	186,825	180,000	40,075	406,900
Sewer	334,125	209,500	635,825	1,179,450
Water	385,775	364,775	226,600	977,150
Gas	466,775	455,225	367,000	1,289,000
Street Light	277,000	18,000	49,000	344,000
<b>Total Plan</b>	<b>5,462,500</b>	<b>6,347,725</b>	<b>4,763,395</b>	<b>16,573,620</b>

## 2018 Proposed Equipment

The City is proposing a total of \$5.5 million in capital equipment expenditures for 2018. This includes equipment for General Fund operating departments and the utility funds named above. The General Fund portion is \$3.8 million to be financed with bonds and the utility portion is \$1.7 million to be paid for out of current year revenues.

For General Fund departments, the City is proposing the purchase of \$2.03 million in rolling stock vehicles comprised of Park Maintenance vehicles totaling \$.24 million; Fire vehicles totaling \$.69 million; Police vehicles totaling \$.56 million; Construction Services vehicles totaling \$.05 million; and Street Maintenance vehicles totaling \$.49 million. The non-rolling stock equipment plan of \$1.78 million proposed by the City for 2018 is for technology improvements and replacements, as well as police and fire equipment.

The breakdown of equipment for the utility funds in 2018 includes \$.26 million for non-rolling stock equipment and \$1.39 million for rolling stock vehicles for a total of \$1.65 million in 2018.

City of Duluth 2018 - 2020 Capital Equipment Program

General Fund Rolling Stock Vehicles

	2018	2019	2020	Total
<b>Fire Department</b>				
Fire Trucks/Apparatus	650,000	1,200,000	-	1,850,000
Vehicle Replacements	45,000	80,000	135,000	260,000
Subtotal Fire Department	695,000	1,280,000	135,000	2,110,000
<b>Construction Services</b>				
Inspector Vehicles	50,000	50,000	-	100,000
Subtotal Constructive Services	50,000	50,000	-	100,000
<b>Police Department</b>				
Police Vehicles	560,000	560,000	560,000	1,680,000
Subtotal Police Department	560,000	560,000	560,000	1,680,000
<b>Facilities Management</b>				
Truck with Lift & Service Body	-	52,000	-	52,000
Service Van	-	35,000	-	35,000
Genie Lift	-	10,000	-	10,000
JLG Lift	-	-	100,000	100,000
Scissor Lift	-	-	50,000	50,000
Subtotal Facilities Management	-	97,000	150,000	247,000
<b>Park Maintenance</b>				
4WD Mowers	75,000	37,500	-	112,500
Wide Area Mower	68,000	-	-	68,000
Skidsteer	56,000	56,000	-	112,000
Trailers	22,000	-	22,000	44,000
John Deere Gator	15,000	-	21,000	36,000
Sidewalk Cleaner	-	165,000	-	165,000
5 Yard Dump/Chipper Truck	-	90,000	-	90,000
4x4 Crewcab Pickup	-	37,000	-	37,000
1-Ton Dump Pickup with Plow	-	-	72,000	72,000
Small Sidewalk Sweeper	-	-	40,000	40,000
Athletic Field Groomers	-	-	36,000	36,000
Subtotal Park Maintenance	236,000	385,500	191,000	812,500
<b>Fleet</b>				
Crew Cab w/Service Body	-	40,000	-	40,000
Clark Forklift	-	-	27,000	27,000
Subtotal Fleet	-	40,000	27,000	67,000
<b>Street Maintenance</b>				
Retro Fit Plow Trucks	170,000	170,000	170,000	510,000
Loader	165,000	-	-	165,000
Skidsteer & Trailer	58,000	-	-	58,000
CrafcO Trailer	54,052	-	-	54,052
3/4 Ton Pickups	40,000	40,000	40,000	120,000
Sweeper	-	225,000	225,000	450,000
3/4 Ton Pickup w/Plow	-	50,000	-	50,000
3/4 Ton Crew	-	40,000	-	40,000
1 Ton Dump Truck w/Plow	-	-	70,000	70,000
Subtotal Street Maintenance	487,052	525,000	505,000	1,517,052
<b>Transportation Engineering</b>				
Engineering Vehicles	-	30,000	17,000	47,000
Subtotal Transportation Engineering	-	30,000	17,000	47,000
<b>Rolling Stock Bond Total</b>	<b>2,028,052</b>	<b>2,967,500</b>	<b>1,585,000</b>	<b>6,580,552</b>

City of Duluth 2018 - 2020 Capital Equipment Program

General Fund Rolling Stock Vehicles

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**Fire Department - Equipment Title:**

Fire Trucks/Apparatus

**Description:**

Current engine is considered out-of-service due to critical frame deterioration.



**Funding Source:**

	<u>FY 2018</u>
Capital Equipment Bond	650,000

Fun Fact: The new engine will be able to pump 1500 gallons of water per minute which is the equivalent of 30 standard bathtubs per minute!

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**Fire Department - Equipment Title:**

Vehicle Replacement

**Description:**

Vehicle is 11 years old and does not meet department needs to transport personnel and equipment.



**Funding Source:**

	<u>FY 2018</u>
Capital Equipment Bond	45,000

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**Construction Services - Equipment Title:**

Inspector Vehicles

**Description:**

Vehicle were used to transport staff to construction sites for inspections.



**Funding Source:**

	<u>FY 2018</u>
Capital Equipment Bond	50,000

Fun Fact: We put on 80-90 miles per day traveling to sites.

City of Duluth 2018 - 2020 Capital Equipment Program

General Fund Rolling Stock Vehicles

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**Police Department - Equipment Title:**

Police Vehicles

**Description:**

Annual police vehicle replacement is required for overall police fleet sustainability. The Duluth Police Dept. needs to ensure our police vehicles are safe, efficient and functional in order to meet the expectations of our community.



Fun Fact: The Police Department fleet travels 1,000,000 miles per year!

**Funding Source:**

FY 2018

Capital Equipment Bond

560,000

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**Park Maintenance - Equipment Title:**

4WD Mowers

**Description:**

This mower is used to mow park property throughout the City and City Hall



**Funding Source:**

FY 2018

Capital Equipment Bond

75,000

Fun Fact: This mower is used for mowing in the summer and are converted to sweepers to sweep snow in Canal Park in the winter.

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**Park Maintenance - Equipment Title:**

Wide Area Mower

**Description:**

This unit is a wide area mower that is used to mow large areas like Park Point, Fond du Lac parks, etc.



**Funding Source:**

FY 2018

Capital Equipment Bond

68,000

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City of Duluth 2018 - 2020 Capital Equipment Program

General Fund Rolling Stock Vehicles

**Park Maintenance - Equipment Title:**  
Skidsteer

**Description:**  
This unit is used to build trails, load and unload trucks. This unit is also used for snow removal, storm clean up, landscaping and material moving.

**Funding Source:**  
FY 2018  
Capital Equipment Bond 56,000



**Park Maintenance - Equipment Title:**  
Trailers

**Description:**  
These trailers haul mowing equipment and skid steers.

**Funding Source:**  
FY 2018  
Capital Equipment Bond 22,000



**Park Maintenance - Equipment Title:**  
John Deere Gator

**Description:**  
This piece of equipment is used to move people and equipment on trails. This is also used for field maintenance.

**Funding Source:**  
FY 2018  
Capital Equipment Bond 15,000



City of Duluth 2018 - 2020 Capital Equipment Program

General Fund Rolling Stock Vehicles

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**Street Maintenance - Equipment Title:**  
Retro Fit Plow Trucks

**Description:**  
For this piece of equipment, we will replace the chassis in the truck and rebuild the sanding unit. We will reuse the stainless steel box and will upgrade the sanding unit.



**Funding Source:**

	<u>FY 2018</u>
Capital Equipment Bond	170,000

Fun Fact: Each year this truck alone will haul about 1,967,166 lbs of salt/sand and 691,866 lbs of gravel. Not impressed? Well sometimes it's on streets that are steeper than the Black Diamond ski run at Spirit Mountain.

---

**Street Maintenance - Equipment Title:**  
Loader

**Description:**  
This unit originally was handed down from the utility division and will be replaced due to wear and tear on the unit.



**Funding Source:**

	<u>FY 2018</u>
Capital Equipment Bond	165,000

Fun Fact: A tire change on this loader can cost about \$6,000 and the bucket will hold 486 shovel fulls of dirt.

City of Duluth 2018 - 2020 Capital Equipment Program

General Fund Rolling Stock Vehicles

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**Street Maintenance - Equipment Title:**  
Skidsteer & Trailer

**Description:**

Current item has load rating of 1,750 lbs which is insufficient. New item will have rating of 4,000 lbs.

**Funding Source:**

	<u>FY 2018</u>
Capital Equipment Bond	58,000

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**Street Maintenance - Equipment Title:**  
Crafco Trailer

**Description:**

Used to fill cracks in streets to prevent water and debris from infiltrating road bed causing premature road damage.

**Funding Source:**

	<u>FY 2018</u>
Capital Equipment Bond	54,052



Fun Fact: This is used to melt and apply about 80,000 lbs of sealant to fill a crack that is 2" wide by 2" deep and 5 miles long (cool hey!). Not so fast, remember we have 450 miles of streets that are on average 32' wide (that's nothing to crack up about!).

**Street Maintenance - Equipment Title:**  
3/4 Ton Pickups

**Description:**

Used for Traffic Maintenance functions, carrying signs & barriers, diverting traffic, assisting in street line painting etc.

**Funding Source:**

	<u>FY 2018</u>
Capital Equipment Bond	40,000

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Fun Fact: This truck is 21 years old! I think it has done its job!!!

City of Duluth 2018 - 2020 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

	2018	2019	2020	Total
<b>IT</b>				
Police RMS System	400,000	400,000	-	800,000
Police Video Consolidation	330,000	-	-	330,000
ARMER Radio Replacements	300,000	500,000	500,000	1,300,000
Enterprise Wide PC/Laptop Replacements	200,000	250,000	250,000	700,000
Network Equipment Replacements	40,000	300,000	300,000	640,000
Street Maintenance Sign Printer	15,000	-	-	15,000
PC / Peripheral Adds	6,000	-	-	6,000
Document Mgt	-	100,000	100,000	200,000
TRAKIT Upgrade	-	100,000	-	100,000
Fire Video Conferencing	-	75,000	-	75,000
Conference Room Technology Needs	-	50,000	50,000	100,000
BCA Security Regulations	-	50,000	50,000	100,000
Pictometry/Lidar Imagery	-	45,000	-	45,000
PCI Security Requirements	-	-	50,000	50,000
Duluth Tax & Special Assessments Online Trxs	-	-	25,000	25,000
ITSC Project Planning	-	-	300,000	300,000
Library System	-	-	50,000	50,000
<b>Total Proposed IT Non-Rolling Stock</b>	<b>1,291,000</b>	<b>1,870,000</b>	<b>1,675,000</b>	<b>4,836,000</b>
<b>Library</b>				
Outdoor book drop to main library	12,000	-	-	12,000
Expand youth services shelving	11,000	-	-	11,000
<b>Total Proposed Library Non-Rolling Stock</b>	<b>23,000</b>	<b>-</b>	<b>-</b>	<b>23,000</b>
<b>Fire</b>				
Turnout gear, hose, helmet, SCBA	204,000	45,500	95,500	345,000
Water rescue equipment	25,000	25,000	25,000	75,000
Thermal image cameras	24,000	36,000	-	60,000
<b>Total Proposed Fire Non-Rolling Stock</b>	<b>253,000</b>	<b>106,500</b>	<b>120,500</b>	<b>480,000</b>
<b>Police</b>				
Riot Gear	83,721	41,454	-	125,175
Taser	64,790	-	-	64,790
Pistols	6,060	-	-	6,060
Rifles	-	33,400	-	33,400
Gas Masks	-	17,887	-	17,887
DPD Robot	-	15,145	-	15,145
Shotgun Improvements	-	14,580	-	14,580
Digital Recorder	-	10,009	9,400	19,409
Tactical Response Team Optics	-	9,750	-	9,750
Upgrade/Replace Ceremony Display	-	5,000	-	5,000
Spex Forensic Reflective UV Imaging Camera (RUVIS)	-	-	35,000	35,000
Panoscan PointGun Scanner	-	-	19,995	19,995
<b>Total Proposed Police Non-Rolling Stock</b>	<b>154,571</b>	<b>147,225</b>	<b>64,395</b>	<b>366,191</b>
<b>Street Maintenance</b>				
Traffic Line Painter	18,559	-	-	18,559
Line Driver/Grinder	14,818	-	-	14,818
<b>Total Proposed Street Maintenance Non-Rolling Stock</b>	<b>33,377</b>	<b>-</b>	<b>-</b>	<b>33,377</b>
<b>Engineering</b>				
GPS Unit Replacement	29,000	29,000	-	58,000
<b>Total Proposed Engineering Non-Rolling Stock</b>	<b>29,000</b>	<b>29,000</b>	<b>-</b>	<b>58,000</b>
<b>Non-Rolling Stock Bond Total</b>	<b>1,783,948</b>	<b>2,152,725</b>	<b>1,859,895</b>	<b>5,796,568</b>
<b>TOTAL GENERAL FUND EQUIPMENT BOND PROPOSAL</b>	<b>3,812,000</b>	<b>5,120,225</b>	<b>3,444,895</b>	<b>12,377,120</b>

# City of Duluth 2018 - 2020 Capital Equipment Program

## General Fund Non-Rolling Stock Equipment

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### IT - Equipment Title:

Police RMS System

### Description:

This new Records Management System will result in operational efficiencies and latest technology for the Police. It will also serve to consolidate disparate systems (Property & Evidence Management, Internal Affairs Complaint Tracking, etc.) into a fully integrated system and offer field based reporting. The RMS is the records & information foundation for the Police dept. and is critical to operational efficiency, safety and security.



### Funding Source:

FY 2018

Capital Equipment Bond

400,000

---

### IT - Equipment Title:

Police Video Consolidation

### Description:

Currently 3 systems are more expensive to maintain and operate as well as consuming 3 times the employee time. Consolidating to one vendor saves time and money.



Fun Fact:  
Currently we are storing just over 18 terabytes of data or 3,834 DVD's.

### Funding Source:

FY 2018

Capital Equipment Bond

330,000

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### IT - Equipment Title:

ARMER Radio Replacements

### Description:

Current models being used citywide will no longer be supported in 2019 making our models obsolete upon failure. All radios will need to move to more current industry supported standard.



### Funding Source:

FY 2018

Capital Equipment Bond

300,000

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# City of Duluth 2018 - 2020 Capital Equipment Program

## General Fund Non-Rolling Stock Equipment

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### IT - Equipment Title:

Enterprise Wide PC/Laptop Replacements

### Description:

This is for the replacement of approximately 250 PCs and laptops to maintain optimum performance and reliability as well as keep up with application and security payloads. The City Council adopted a resolution to maintain a 4 year life-cycle of computer equipment.



### Funding Source:

FY 2018

Capital Equipment Bond 200,000

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### IT - Equipment Title:

Network Equipment Replacements

### Description:

The primary goal of the 2018 request is to fund network design changes to allow for redundant internet connections.



### Funding Source:

FY 2018

Capital Equipment Bond 40,000

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### IT - Equipment Title:

Street Maintenance Sign Printer

### Description:

Current sign cutter is 20 years old with limited capability and reliability issues.



### Funding Source:

FY 2018

Capital Equipment Bond 15,000

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Fun Fact: Everything from Parking signs, special event signs, and taxi licenses are run through this machine.

City of Duluth 2018 - 2020 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

**IT - Equipment Title:**

PC / Peripheral Adds

**Description:**

Desktop computing environments for added staff or new work functions.

**Funding Source:**

FY 2018

Capital Equipment Bond 6,000



**Library - Equipment Title:**

Outdoor book drop to main library

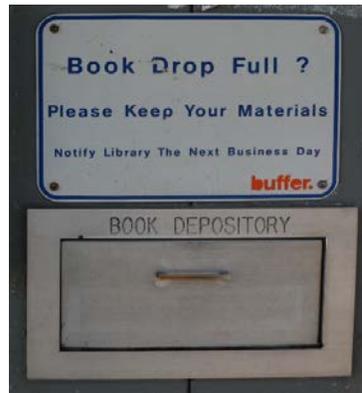
**Description:**

Adding another book drop will reduce jams in current equipment.

**Funding Source:**

FY 2018

Capital Equipment Bond 12,000



**Street Maintenance - Equipment Title:**

Line Driver/Grinder

**Description:**

Used to remove painted lines from roads and provides indented lines for painting.

**Funding Source:**

FY 2018

Capital Equipment Bond 14,818



**Engineering - Equipment Title:**

GPS Unit Replacement

**Description:**

Replace due to 5 year rotation cycle and replacement parts not available as of January 1, 2018.

**Funding Source:**

FY 2018

Capital Equipment Bond 29,000



# City of Duluth 2018 - 2020 Capital Equipment Program

## General Fund Non-Rolling Stock Equipment

### Library - Equipment Title:

Expand youth services shelving

### Description:

The shelving will provide more space for youth services to make more attractive and easily accessible area.

### Funding Source:

FY 2018

Capital Equipment Bond

11,000



### Fire Department - Equipment Title:

Turnout gear, hose, helmet, SCBA

### Description:

Following replacement schedule and compliant with industry standards for cancer reduction and prevention.

### Funding Source:

FY 2018

Capital Equipment Bond

204,000



Fun Fact: The jacket can weigh up to 15 lbs and the pants weigh up to 30 lbs. That's why firefighters always wear suspenders. The knees have special material for all the crawling they do.

### Fire Department - Equipment Title:

Water rescue equipment

### Description:

Replace out of service rescue suits and upgrade to beach and swift water suits and equipment.

### Funding Source:

FY 2018

Capital Equipment Bond

25,000



### Fire Department - Equipment Title:

Thermal image cameras

### Description:

Replace out of warranty equipment.

### Funding Source:

FY 2018

Capital Equipment Bond

24,000



Fun Fact: These cameras can point around corners and take a picture. This image can then be used to assess the safety of the situation before entering.

City of Duluth 2018 - 2020 Capital Equipment Program

General Fund Non-Rolling Stock Equipment

Police Department - Equipment Title:

Riot Gear

Description:

The need to properly equip our employees to facilitate the protection of our citizens and our employees is critical specifically in our current climate and potential for civil unrest.

Funding Source:

FY 2018

Capital Equipment Bond

83,721



Police Department - Equipment Title:

Taser

Description:

Current tasers are failing at a high rate due to years of use beyond life expectancy. These units are not supported or repairable. Tasers are a critical tool which assists in managing risks to our citizens and employees.

Funding Source:

FY 2018

Capital Equipment Bond

64,790



Fun Fact: Tasers produce 50,000 volts with just one 9-volt battery!

Police Department - Equipment Title:

Pistols

Description:

Department is in need of purchasing additional pistols due to hiring 15 new employees.

Funding Source:

FY 2018

Capital Equipment Bond

6,060



Street Maintenance - Equipment Title:

Traffic Line Painter

Description:

Used for Marking streets, crosswalks, parking areas, etc.

Funding Source:

FY 2018

Capital Equipment Bond

18,559



Fun Fact: We apply about 12,600 gallons of paint per year and to brighten it up we add about 68,000 lbs of glass beads to make them shine!

## City of Duluth 2018 - 2020 Capital Equipment Program

### Utility Funds Equipment

	2018	2019	2020	Total
<b>Water Fund</b>				
Cars/Pick-ups	77,550	48,200	41,550	167,300
Trucks/Vans	177,950	96,600	91,950	366,500
Dump Trucks	54,250	147,250	38,500	240,000
Excavator/Vactor	41,500	52,500	9,200	103,200
Other Rolling Stock	23,025	5,225	30,400	58,650
Non-Rolling Capital Equip.	11,500	15,000	15,000	41,500
Subtotal Water Fund	385,775	364,775	226,600	977,150
<b>Gas Fund</b>				
Cars/Pick-ups	140,450	183,800	43,250	367,500
Trucks/Vans	48,050	50,400	211,050	309,500
Dump Trucks	38,750	162,750	27,500	229,000
Excavator/Vactor	62,250	37,500	36,800	136,550
Other Rolling Stock	5,775	5,775	33,400	44,950
Non-Rolling Capital Equip.	171,500	15,000	15,000	201,500
Subtotal Gas Fund	466,775	455,225	367,000	1,289,000
<b>Sewer Fund</b>				
Cars/Pick-ups	6,000	42,000	24,200	72,200
Trucks/Vans	-	100,000	186,000	286,000
Dump Trucks	38,750	-	182,500	221,250
Backhoe/Loader	105,000	-	-	105,000
Excavator/Vactor	166,000	37,500	-	203,500
Other Rolling Stock	6,875	20,000	233,125	260,000
Non-Rolling Capital Equip.	11,500	10,000	10,000	31,500
Subtotal Sewer Fund	334,125	209,500	635,825	1,179,450
<b>Stormwater Fund</b>				
Cars/Pick-ups	6,000	42,000	-	48,000
Trucks/Vans	-	100,000	-	100,000
Dump Trucks	23,250	-	16,500	39,750
Excavator/Vactor	145,250	22,500	-	167,750
Other Rolling Stock	825	5,500	13,575	19,900
Non-Rolling Capital Equip.	11,500	10,000	10,000	31,500
Subtotal Stormwater Fund	186,825	180,000	40,075	406,900
<b>Street Lighting</b>				
Cars/Pick-ups	29,000	-	31,000	60,000
Aerial Bucket Truck	190,000	-	-	190,000
Non-Rolling Capital Equip.	58,000	18,000	18,000	94,000
Subtotal Street Lighting Fund	277,000	18,000	49,000	344,000
<b>Utility Funds Grand Total</b>	<b>\$ 1,650,500</b>	<b>\$ 1,227,500</b>	<b>\$ 1,318,500</b>	<b>\$4,196,500</b>

# APPENDIX



must be approved by the city council if used for a purpose other than what has been specified.

That grants which have been approved by the appropriate state or federal agency and accepted by resolution of the city council may be added to the respective budget items upon approval of the city auditor.

That the parks fund prior year unexpended budget appropriation not anticipated in the original budget shall be added to the current year budget appropriation as approved by the chief administrative officer or designee.

Section 2. That the city auditor be authorized to approve the payments of \$2,559,600 from the gas and steam public utility funds to the general fund for administrative services; comprised of \$2,406,800 or seven percent of the gross revenues of the gas utility fund to the general fund; and \$152,800 from public utilities steam fund to the general fund.

Section 3. That the mayor or the chief administrative officer or their designees may make transfers from budget item to budget item as may be considered necessary for the proper administration of the city government for the year. However, the total of any transfers to or from any budget item in excess of ten percent of the appropriation therefore as herein made shall be made only upon approval of the city council. For the purpose of the Section, the term budget item shall mean the amount appropriated to the various funds delineated as fixed charges in the budget summary, the accounts numbers 110 through the 700 series shall each be considered budget items within the general fund, as defined in Chapter 8, Section 54 of the City Charter, the account numbered 205 in the parks fund, and 290 in the street system maintenance utility, the accounts numbered 510 and 511 in the water division, 520 in the gas division, 530 and 532 in the sewer division, 535 in the stormwater division, 540 in the steam division, 550 in the street light division, 503 in the golf division, 505 and 506 in the parking division.

Section 4. That the salaries shall be in accordance with the pay plan in effect as provided by Section 22 of the City Charter, as amended.

Section 5. That the city auditor may create or abolish an accounting fund when required by law or proper accounting procedures.

Section 6. That the city auditor be authorized to make temporary loans to and from the city's various funds as needed in the conduction of the day-to-day operations of the city.

Section 7. That the appropriations as set forth in this section constitutes the budget of the City of Duluth for the calendar year of 2018.

General Fund

110	Legislative and Executive	3,188,800
121	Public Administration	17,089,900
125	Finance	2,737,800
132	Planning and Construction Services	2,484,600
135	Business and Economic Development	651,000
150	Fire	17,176,200
160	Police	21,903,400
500	Public Works	9,431,900
700	Transfers and Other Functions	11,285,800
	Total General Fund	85,949,400

Parks Fund			
205	Community Resources		2,787,246
Public Enterprise			
503	Golf Fund		2,208,770
505	Parking Fund		5,514,709
506	410 West First Street ramp		1,536,329
Public Utilities			
510 & 511	Water Fund		19,145,300
520	Gas Fund		41,153,200
530 & 532	Sewer and Clean Water Fund		22,570,900
535	Stormwater Fund		6,041,300
540	Steam Fund		8,613,800
550	Street Lighting Fund		3,610,800
290	Street System Maintenance Utility		3,800,000

Section 8. That the chief administrative officer or their designee shall provide the council with a final budget report within three months of the end of the budget year setting forth the original approved and the modified budgets for each line item included in this ordinance and explaining in narrative form the reasons for any significant differences between the original approved and the modified budgets.

Section 9. That the city will review all state and federal grants prior to acceptance and determine the program's funding status. A statement should be included on each grant resolution outlining items such as whether the grant represents a one-time revenue, an ongoing funding source, or a partial funding source with a local match required. The future fiscal impact of the program on the budget will be discussed prior to acceptance of the grant.

The programs funded by state and federal grants shall be reduced or eliminated accordingly if state or federal revenue are reduced or eliminated and another funding source is not secure. Local funding will be available after a full review to determine whether the program should be continued.

Section 10. That this ordinance shall take effect January 1, 2018.

**STATEMENT OF PURPOSE:** This ordinance established the City of Duluth budget and appropriates monies for the operation of city departments. Provisions of this ordinance are in conformance with the Duluth City Charter and Minnesota state law. The ordinance sets the 2018 budget for the city's general fund; the parks fund; the eight utility funds of water, gas, sewer, stormwater, steam, street lighting, and street system maintenance utility; and the three public enterprise funds of parking, 410 West First Street parking facility, and golf.

The budget appropriation for the General Fund utilizes fund balance reserves in the amount of \$895,500 to pay for an investment in a community solar garden project that will save a projected \$2 million over the life of the 25-year project agreement and also uses additional fund balance reserves in the amount of \$730,500 to pay for an increase in fire department overtime costs expected to be incurred due to a large number of active duty military deployments in 2018 for firefighters belonging to the Air National Guard 148<sup>th</sup> Fighter Wing.



Legislation Details (With Text)

File #: 17-061-O Name:  
 Type: Ordinance Status: Passed  
 File created: 11/16/2017 In control: Finance  
 On agenda: 11/20/2017 Final action: 12/4/2017  
 Title: AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2018.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Property Tax Levy, 2. Motion To Amend: Sipress/Westerlund - Failed (3-6), 3. Motion To Amend: Filipovich - Failed (3-6)

Date	Ver.	Action By	Action	Result
12/4/2017	1	City Council	adopted	Pass
11/20/2017	1	City Council	read for the first time	

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR GENERAL PURPOSES FOR THE YEAR 2018.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2018 for general operations is hereby determined to be the sum of \$28,040,592 which sum is levied against the taxable property of the City of Duluth and appropriated to the various accounts of the city, as set forth in the following sections.

Section 2. That there will be levied for the support of the general fund the sum of \$16,370,400.

Section 3. That there will be levied for the support of the street lighting fund the sum of \$757,592.

Section 4. That there will be levied for the support of the street maintenance utility fund the amount of \$3,800,000.

Section 5. That for the payment of debt, there will be levied for the general obligation debt fund the sum of \$6,832,600.

Section 6. That pursuant to Laws of Minnesota 1971, Chapter 824, to pay for the portion of the cost of local improvements which will not sustain a special assessment, there will be levied for the permanent improvement fund the sum of \$280,000.

Section 7. That this ordinance shall take effect January 1, 2018.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2018. The 2018 levy reflects a total increase in the general operations levy of 6.26% and an increase in the street maintenance levy of 3.93%. Because Duluth has experienced an expanded tax base of 4.45% for 2018, the overall impact to property owners in Duluth is approximately 5.74%.



## Legislation Details (With Text)

File #: 17-074-O Name:  
Type: Ordinance Status: Passed  
File created: 11/22/2017 In control: Finance  
On agenda: 12/4/2017 Final action: 12/11/2017  
Title: AN ORDINANCE DETERMING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2018.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/11/2017	1	City Council	adopted	Pass
12/4/2017	1	City Council	read for the first time	

AN ORDINANCE DETERMING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL PARKS FUND LEVY FOR THE YEAR 2018.

### CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2018 for the special parks fund levy is hereby determined to be the sum of \$2,600,000 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following section.

Section 2. That pursuant to Ordinance 10134, approved by voter referendum on November 9, 2011, pursuant to the authority contained in Laws of Minnesota, 1983, Chapter 560, Section 1, there will be levied for the parks fund the sum of \$2,600,000.

Section 3. That this ordinance shall take effect January 1, 2018.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2018 for the parks fund levy. Ordinance 10134, approved by voter referendum on November 9, 2011, created a dedicated parks fund and special levy in the amount of \$2.6 million per year to be utilized for parks and recreation purposes only.



Legislation Details (With Text)

File #: 17-073-O Name:  
 Type: Ordinance Status: Passed  
 File created: 11/22/2017 In control: Finance  
 On agenda: 12/4/2017 Final action: 12/11/2017  
 Title: AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2018.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/11/2017	1	City Council	adopted	Pass
12/4/2017	1	City Council	read for the first time	

AN ORDINANCE DETERMINING THE SUM TO BE RAISED BY TAXATION FOR THE SPECIAL TAXING DISTRICT, DULUTH TRANSIT AUTHORITY, FOR THE YEAR 2018.

CITY PROPOSAL:

The city of Duluth does ordain:

Section 1. That the sum to be raised by taxation for the year 2018 for Duluth Transit Authority taxing district's operations is hereby determined to be the sum of \$1,491,900 which sum is levied against the taxable property of the city of Duluth and appropriated to the various accounts as set forth in the following sections:

Section 2. That pursuant to Minnesota Statutes, Section 458A.31, Subd.1, there will be levied for transit operations the sum of \$1,491,900.

Section 3. That this ordinance shall take effect January 1, 2018.

STATEMENT OF PURPOSE: This ordinance sets the property tax levy for the year 2018 for the special taxing district, Duluth Transit Authority (DTA). Although the transit authority is a special taxing district per Minnesota Statute 275.066, the city is obligated through council action to levy on their behalf.

The DTA, in reviewing their needs for 2018 is opting not to request the full levy available by Minnesota Statute 458A.31. Instead, the DTA is requesting \$1,491,900, the same as the previous year.



Legislation Details (With Text)

File #: 17-0855R Name:  
 Type: Resolution Status: Passed  
 File created: 11/27/2017 In control: Finance  
 On agenda: 12/4/2017 Final action: 12/4/2017  
 Title: RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2018.  
 Sponsors:  
 Indexes:  
 Code sections:  
 Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/4/2017	1	City Council	adopted	Pass

RESOLUTION ESTABLISHING ANNUAL BONDING PLAN FOR 2018.

CITY PROPOSAL:

RESOLVED, that, pursuant to Section 20-33 of the Duluth City Code, 1959, as amended, the following is hereby established as the annual, ordinary course general obligation bonding plan for the city of Duluth for the year 2018.

General obligation bonds and notes to be issued in 2018	\$13,700,000
General obligation bonds and notes scheduled to be retired in 2018	\$17,606,000
Net anticipated decrease in general obligation bonding for 2018	(\$3,906,000)

STATEMENT OF PURPOSE: This resolution sets forth the city's estimated bond and note issuances and repayments for the year 2018 as required by Section 20-33 of the city code. The city estimates its bonding activity in 2018 will result in a net decrease of \$3,906,000 in the amount of the city's general obligation outstanding debt during 2018; see Exhibit A for estimated debt issuance.

The amounts set forth in this resolution are estimates only based on the needs anticipated at this time; the actual amounts may vary. There is nothing in the ordinance which prevents the amounts set forth in the plan from being modified as circumstances and needs change.



Legislation Details (With Text)

File #: 17-0835R Name:  
 Type: Resolution Status: Passed  
 File created: 11/21/2017 In control: Finance  
 On agenda: 12/4/2017 Final action: 12/4/2017  
 Title: RESOLUTION APPROVING CAPITAL IMPROVEMENT PLAN AND STATING INTENT TO ISSUE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS UNDER MINNESOTA STATUTES, SECTION 475.521.

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
12/4/2017	1	City Council	adopted	Pass

RESOLUTION APPROVING CAPITAL IMPROVEMENT PLAN AND STATING INTENT TO ISSUE GENERAL OBLIGATION CAPITAL IMPROVEMENT BONDS UNDER MINNESOTA STATUTES, SECTION 475.521.

CITY PROPOSAL:

BE IT RESOLVED, by the city council (the "Council") of the city of Duluth, Minnesota (the "City"), as follows:

Section 1. Capital improvement plan.

1.01 (a) Under and pursuant to Minnesota Statutes, Section 475.521 (the "Act"), the Council has authorized preparation of a capital improvement plan for the years 2018 through 2022 which has been presented to the Council in the section entitled "Capital Improvement Program Summary" in the document entitled "2018-2022 Capital Improvement Budget and Five-Year Plan" (the "Plan");

(b) A notice of public hearings has been published in accordance with the Act, and the Council has held on December 4, 2017, a public hearing as required by the Act, to provide an opportunity for residents to express their views on the Plan;

(c) The Council has considered the following for each project discussed in the Plan and for the overall Plan:

- (1) The condition of the City's existing infrastructure, including the projected need for repair or replacement;
- (2) The likely demand for the improvement;
- (3) The estimated cost of the improvement;
- (4) The available public resources;

- (5) The level of overlapping debt in the City;
- (6) The relative benefits and costs of alternative uses of the funds;
- (7) Operating costs of the proposed improvements; and
- (8) Alternatives for providing services more efficiently through shared facilities with other cities or local government units.

1.02 (a) Based on the considerations set forth in the Plan and Section 1.01(c) hereof, the Council finds that the Plan is desirable and beneficial to the City and its residents;

(b) The Council finds that the proposed improvements under the Plan will result in no unnecessary duplication of public facilities provided by other units of government in the region.

1.03 The Plan is approved.

Section 2. (a) Under and pursuant to the authority contained in the Act and Minnesota Statutes, Chapter 475, the City is authorized to issue capital improvement bonds to provide funds for capital improvements pursuant to the Plan.

(b) The Council also held a public hearing on December 4, 2017, after notice of public hearing required by the Act, on the City's intention to issue general obligation capital improvement bonds, in an amount not to exceed \$1,600,000 for the purposes set forth in the notice of public hearing. All persons who desired to speak at the public hearing were heard and written comments were considered.

(c) The Council hereby finds and determines that it is necessary, expedient and in the best interests of the City's residents that the City issue, sell and deliver general obligation capital improvement bonds in the maximum amount of \$1,600,000 (the "Bonds"), for the purpose of providing funds for the following capital improvements under the Plan: improvements to eligible facilities (City Hall, libraries, public safety facilities and public works facilities) under the Act throughout the City, including improvements to the main library, the public safety building, the Lund tool house and Firehalls #1, 8 and 10, and for the payment of costs of issuance of the Bonds.

(d) If, within 30 days after December 4, 2017, a valid petition is filed with the City Clerk calling for a vote on the proposition of issuing the Bonds, signed by voters residing within the boundaries of the City equal to five percent of the votes cast in the City in the last general election, the Bonds shall not be issued until the question of their issuance has been authorized by a majority of the voters voting on the question at the next general or special election called to decide the question.

(e) This resolution constitutes a declaration of official intent under Treasury Regulations Section 1.150-2. The City reasonably expects to acquire or construct all or a portion of the capital improvements prior to the issuance of the capital improvement bonds and to reimburse expenditures incurred with respect to such capital improvement program with the proceeds of the capital improvement bonds.

STATEMENT OF PURPOSE: This resolution approves the 2018-2022 capital improvement plan and declares the City's intent to issue general obligation capital improvement bonds in 2018 in an amount not to exceed \$1,600,000 for certain capital improvements as listed in the resolution. The estimated costs of the capital improvements to be financed by the 2018 Bonds are \$1,450,000 plus underwriter discount and costs of issuance.



Legislation Details (With Text)

File #: 17-0837R Name:  
Type: Resolution Status: Passed  
File created: 11/21/2017 In control: Finance  
On agenda: 12/4/2017 Final action: 12/4/2017  
Title: RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2018, AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES IN THE APPROXIMATE AMOUNT OF \$4,150,000.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/4/2017	1	City Council	adopted	Pass

RESOLUTION OF THE CITY OF DULUTH, MINNESOTA, STATING THE INTENT TO ISSUE GENERAL OBLIGATION CAPITAL EQUIPMENT NOTES, SERIES 2018, AND APPROVING THE CAPITAL EQUIPMENT LIST ASSOCIATED WITH THE NOTES IN THE APPROXIMATE AMOUNT OF \$4,150,000.

CITY PROPOSAL:

BE IT RESOLVED, by the city council (the "Council") of the city of Duluth, Minnesota (the "City"), as follows:

Section 1. Under and pursuant to the provisions of Minnesota Statutes, sections 410.32 and 412.301 (the "Act"), and Minnesota Statutes, Chapter 475, and the City Charter, the City is authorized to issue its general obligation capital equipment notes to provide funds to purchase capital equipment having an expected useful life at least as long as the term of the capital equipment notes.

Section 2. The Council declares the intent of the City to issue capital equipment notes in 2018 in an amount up to \$3,812,000 to finance the purchase of capital equipment authorized by the Act, together with an additional amount to pay costs of issuance of the capital equipment notes and discount in an amount estimated to be not more than \$338,000.

Section 3. The capital equipment to be financed includes those items of equipment listed under the heading "2018" as set forth on the list attached hereto as Exhibit A, which list of equipment is hereby approved for purchase in 2018.

Section 4. The terms and conditions of the capital equipment notes and the sale thereof shall be established by further resolution of the Council.

Section 5. This resolution constitutes a declaration of official intent under Treasury Regulations Section 1.150-2. The City reasonably expects to acquire all or a portion of the capital

equipment prior to the issuance of the capital equipment notes and to reimburse expenditures incurred with respect to such capital equipment purchase program with the proceeds of the capital equipment notes.

**STATEMENT OF PURPOSE:** This resolution states the City's intent to issue general obligation capital equipment notes in 2018 to finance the purchase of capital equipment. It further approves the capital equipment list as items to be financed in 2018 in an amount up to \$3,812,000 plus an additional amount for costs of issuance and discount.



Legislation Details (With Text)

File #: 17-0877R Name:  
Type: Resolution Status: Passed  
File created: 12/4/2017 In control: Finance  
On agenda: 12/11/2017 Final action: 12/11/2017  
Title: RESOLUTION DISTRIBUTING THE ESTIMATED 2018 HOTEL-MOTEL AND FOOD AND BEVERAGE TOURISM TAXES.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution 17-0877 Comparative Distributions

Date	Ver.	Action By	Action	Result
12/11/2017	1	City Council	adopted	Pass

RESOLUTION DISTRIBUTING THE ESTIMATED 2018 HOTEL-MOTEL AND FOOD AND BEVERAGE TOURISM TAXES.

CITY PROPOSAL:

WHEREAS, tourism taxes are collected on specific purchases and are used to fund legislatively allowable expenses mandated by Minnesota Laws and City Ordinance.

WHEREAS, it is expected that the tourism tax collections will exceed \$11.5 million for 2018. A significant amount of these collections - more than 60% - are set aside through specific authorizing legislation that tied bonding projects to tourism or through previously stated and mandated commitments. These are:

- DECC Improvement Refunding Bonds (AMSOIL Arena) - \$33,440,000
- Tourism Tax Revenue Bonds (St Louis River Corridor) - \$18,000,000
- Spirit Mountain Tax Abatement Bonds (Grand Avenue Chalet & Improvements) - \$7,055,000
- Minnesota Slip Bridge Interfund Loan - \$2,200,000
- Promotion & Publicity 3% Hotel/Motel Tax Mandate

WHEREAS, the allocations for City funding to the General Fund and Parks are focused on the costs of providing services for events and tourist-focused activities which include but are not limited to: Lakewalk, Enger Tower, Rose Garden, Public Safety staffing and road closures for special events.

WHEREAS, the remainder can be spent in ways that align with legislative intent in support of our tourism economy. These funds cannot be unilaterally applied to other non-tourism organizational needs of the City.

RESOLVED, that the 2018 hotel-motel and food and beverage tourism taxes, as estimated, be distributed in the following manner:

	Total	Promotional & Operational	Capital Support & Debt Service

3% Hotel/Motel Tax:	\$2,746,900	\$1,050,700	\$1,696,200
1% Hotel/Motel Tax:	\$915,700	\$576,600	\$339,100
1% Food & Beverage:	\$2,541,900	\$2,541,900	\$0
Additional 2% Hotel/Motel:	\$1,713,200	\$856,600	\$856,600
Additional .75% Food & Beverage:	\$1,906,400	\$0	\$1,906,400
Additional .5% Food & Bev & .5% Hotel/Motel	\$1,699,200	\$0	\$1,699,200
Total:	\$11,523,300	\$5,025,800	\$6,497,500
DECC- Amsoil Arena Debt Service	\$3,602,600	\$0	\$3,602,600
Spirit Mountain Bond - Chalet	\$500,000	\$0	\$500,000
Spirit Mountain Adventure Park Lease	\$145,700	\$0	\$145,700
Visit Duluth	\$2,000,000	\$2,000,000	\$0
Other Advertising and Publicity	\$72,000	\$72,000	\$0
Tourism Events Support General Fund	\$895,000	\$895,000	\$0
Tourist-Related Park Maintenance	\$200,000	\$200,000	\$0
Lake Superior Zoo	\$510,000	\$510,000	\$0
Great Lakes Aquarium	\$360,000	\$360,000	\$0
Business Improve District	\$200,000	\$200,000	\$0
Heritage & Arts Center/Depot	\$220,000	\$220,000	\$0
Public Arts	\$15,000	\$15,000	\$0
Sister Cities	\$40,000	\$40,000	\$0
Lake Superior & Mississippi Railroad	\$20,000	\$20,000	\$0
Rail Alliance	\$15,000	\$15,000	\$0
DECC - Bayfront Park Management	\$60,000	\$60,000	\$0
DECC - Blue Bridge Operations	\$39,100	\$39,100	\$0
Glensheen Matching Funds	\$50,000	\$50,000	\$0
St Louis River Corridor Debt Service	\$1,699,200	\$0	\$1,699,200
Spirit Mountain Operations	\$275,000	\$275,000	\$0
Fourth Fest Fireworks	\$50,000	\$50,000	\$0
Minnesota Slip Bridge	\$550,000	\$0	\$550,000
Undesignated Fund Balance	\$4,700	\$4,700	\$0
Total	\$11,523,300	\$5,025,800	\$6,497,500

STATEMENT OF PURPOSE: This resolution distributes the 2018 estimated tourism taxes as required by Minnesota State Statutes, City ordinance, or City policy. Despite the consistent, annual growth for these tax collections, we have chosen to maintain our projected 2018 tax collections at our actual 2017 collection amounts. We believe budgeting conservatively is better and more reliable than factoring in additional growth

for 2018. Tourism tax funding requests for 2018 totaled in excess of \$12 million.

This year, the City instituted an application process for tourism tax allocations. Applicants were asked to apply for funds, submit budgets, answer a series of questions and report on previous tourism tax funding levels and uses. This is the first time this process has been used. It was implemented with the intent to provide greater accountability, transparency, and process to a significant source of public funding. The City intends to do this process again next year with the hope that additional tourism experiences will be a part of the tourism tax portfolio for 2019.

There are three new elements that distinguish funding for 2018 from previous years. All of these come at the request and initiation of the City.

In 2018, all tourism tax funded entities will be asked and required to participate in two Community Day events open to the public. Visit Duluth will help coordinate these days to allow the local Duluth community, who also invests into tourism through food and beverage tax, to have the opportunity to benefit from that investment. Dates are yet to be determined and will likely take place during the quieter shoulder seasons, so as not to disrupt the more peak tourism time.

Additionally, we have asked Visit Duluth to explore and coordinate a broader City Pass for tourism outlets - both those that receive funding and those that do not. While not a requirement to participate, we hope that tourism entities will choose to collaborate in this way and expand current cross promotional efforts.

Finally, we have asked Visit Duluth to create and promote two mapping systems - one hard copy tear-away for guests at hotels and motels, and the other a digital trails map that can be accessed by smartphone.

We believe that these changes help bring the Duluth community into better understanding of the value of tourism to our economy and give residents a chance to become more fully informed of all that Duluth has to offer, so that - in turn - residents can engage personal promotion and endorsement of these experience to visitors they encounter, and feel a stronger connection to our robust tourism industry.



## Legislation Details (With Text)

File #: 17-0845R Name:  
Type: Resolution Status: Passed  
File created: 11/22/2017 In control: Finance  
On agenda: 12/4/2017 Final action: 12/4/2017  
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2018 TO DECEMBER 31, 2018, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/4/2017	1	City Council	adopted	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2018 TO DECEMBER 31, 2018, OPERATION BUDGET OF THE DULUTH AIRPORT AUTHORITY.

### CITY PROPOSAL:

RESOLVED, that the operations budget for the fiscal year January 1, 2018 to December 31, 2018, in the amount of \$14,166,311 for the Duluth Airport Authority is hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the 2018 operating budget for the Duluth Airport Authority, a detailed budget is attached as Exhibit A.

The 2018 operating budget represents an increase of \$316,531, or 2.3% over the 2017 budget.



## Legislation Details (With Text)

File #: 17-0847R Name:  
Type: Resolution Status: Passed  
File created: 11/22/2017 In control: Finance  
On agenda: 12/4/2017 Final action: 12/4/2017  
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2018 TO DECEMBER 31, 2018, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/4/2017	1	City Council	adopted	Pass

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2018 TO DECEMBER 31, 2018, OPERATION BUDGET OF THE DULUTH TRANSIT AUTHORITY.

### CITY PROPOSAL:

RESOLVED, that the operation budget for the fiscal year January 1, 2018 to December 31, 2018, in the amount of \$17,979,113 for the Duluth Transit Authority is hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the 2018 operating budget for the Duluth Transit Authority, a detailed budget is attached as Exhibit A.

The budget includes an increase of \$1,119,149 or 6.6% over the 2017 budget. This resolution adopts the budget as presented for the current year.



## Legislation Details (With Text)

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File #: 17-0846R Name:  
Type: Resolution Status: Passed  
File created: 11/22/2017 In control: Finance  
On agenda: 12/4/2017 Final action: 12/4/2017  
Title: RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2018 TO DECEMBER 31, 2018 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
12/4/2017	1	City Council	adopted	

RESOLUTION APPROVING THE FISCAL YEAR JANUARY 1, 2018 TO DECEMBER 31, 2018 BUDGETS OF THE DULUTH ECONOMIC DEVELOPMENT AUTHORITY.

### CITY PROPOSAL:

RESOLVED, that the DEDA operating fund, debt service fund, capital projects fund, MRO maintenance fund, attached in Exhibit A are hereby approved.

STATEMENT OF PURPOSE: This resolution adopts the various DEDA budgets for fiscal year 2018. The DEDA adopted the DEDA budgets at its October 25, 2017 meeting.

# CITY OF DULUTH, MINNESOTA

## DEMOGRAPHIC AND ECONOMIC STATISTICS

<u>Fiscal Year</u>	<u>Population</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Per Capita School Enrollment</u>	<u>Unemployment Rate</u>
2008	85,220	2,390,569,327	28,052	9,554	5.7%
2009	85,530	2,286,461,687	26,733	9,195	7.7%
2010	86,265	2,260,614,999	26,205	8,780	7.6%
2011	86,277	2,324,435,029	26,942	8,815	6.8%
2012	86,200	2,368,110,337	27,472	8,686	6.0%
2013	86,128	2,510,223,601	29,145	8,517	5.2%
2014	86,238	2,605,207,475	30,210	8,517	4.4%
2015	86,110	2,761,947,379	32,075	8,353	3.8%
2016	86,293	2,709,373,102	31,397	8,115	4.0%
2017	86,293 *	2,755,917,780 *	31,647		3.7%

Data sources:

The population figures are estimates of the US Census Bureau.

Total personal income is from the MN Department of Employment and Economic Development's website.

The school enrollment figures were provided by the Duluth School District.

The unemployment rates were provided by the MN Department of Employment and Economic Development.

\* Estimates

## MINNESOTA CITIES HOUSING STOCK COMPARISON

<b>Age of Housing Stock</b>	<b>Duluth</b>		<b>Rochester</b>		<b>St. Cloud</b>		<b>Mankato</b>	
<b>Total Housing Units</b>	<b>38,262</b>		<b>46,861</b>		<b>27,178</b>		<b>16,891</b>	
1980 or newer	6,517	17.0%	24,304	51.9%	12,612	46.4%	7,551	44.7%
1960 to 1979	7,036	18.4%	12,084	25.8%	7,149	26.3%	3,742	22.2%
1940 to 1959	7,888	20.6%	6,554	14.0%	4,003	14.7%	2,272	13.5%
1939 or earlier	16,821	44.0%	3,919	8.4%	3,414	12.6%	3,326	19.7%

Data source: American Community Survey

# CITY OF DULUTH, MINNESOTA

## PRINCIPAL EMPLOYERS

<u>Employer</u>	<u>Type of Business</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Essentia Health (SMDC)	Healthcare / hospital	5,341	1	9.16%
St. Louis County	Government	1,956	2	3.35%
St. Luke's Hospital	Healthcare / hospital	1,934	3	3.32%
University of Minnesota - Duluth	Education	1,700	4	2.92%
Independent School District No. 709	Education	1,426	5	2.45%
United Health Care	Insurance	1,368	6	2.35%
Allete (Minnesota Power)	Electric utility	1,322	7	2.27%
Duluth Air National Guard Base	Military	1,068	8	1.83%
City of Duluth	Government	871	9	1.48%
US Government	Government	850	10	1.46%
		<u>17,836</u>		<u>30.59%</u>

Source: Northland Connection's website

Total city employment is from the MN Department of Employment & Economic Development's website

## CITY OF DULUTH FULL-TIME EQUIVALENT EMPLOYEES AS OF DECEMBER 31

<u>Function:</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	125.75	127.65	131.65	132.40	133.00
Public Safety					
Police	178.50	178.50	178.50	180.50	184.14
Fire	141.00	142.00	143.00	144.50	146.50
Public Works	87.10	85.90	85.05	86.25	86.50
Culture and recreation					
Parks and recreation	10.00	10.00	9.75	11.75	11.95
Zoo	0.00	0.00	0.00	0.00	0.00
Library	49.00	49.00	46.50	46.50	46.70
Urban & Economic Development	60.25	59.53	55.50	54.05	54.05
Water & Gas	133.00	132.60	128.65	129.15	134.75
Sewer	40.20	39.33	36.93	35.80	33.15
Stormwater	26.00	25.52	26.87	27.30	25.85
Golf	0.00	0.00	0.00	0.00	0.00
Parking	8.00	8.00	8.00	9.00	9.00
Street Lighting	5.00	5.10	5.10	5.10	5.10
Total	<u>863.80</u>	<u>863.13</u>	<u>855.50</u>	<u>862.30</u>	<u>870.69</u>

# CITY OF DULUTH, MINNESOTA

## TOTAL ESTIMATED MARKET VALUES

<u>Fiscal Year End</u>	<u>Total Estimated Market Value</u>	<u>Tax Capacity</u>	<u>% Capacity to Market Value</u>	<u>Tax Rate</u>
2007	5,188,965,700	60,063,072	1.16%	0.22939
2008	5,483,418,320	63,722,897	1.16%	0.23259
2009	5,706,520,800	66,655,461	1.17%	0.25403
2010	5,696,100,100	67,344,436	1.18%	0.26331
2011	5,531,528,600	65,577,970	1.19%	0.27956
2012	5,569,039,800	61,532,873	1.10%	0.31597
2013	5,473,015,800	61,948,785	1.13%	0.33198
2014	5,584,098,600	62,430,044	1.12%	0.32338
2015	5,725,483,100	64,221,257	1.12%	0.32509
2016	5,903,691,700	66,776,729	1.13%	0.33378

## PRINCIPAL PROPERTY TAXPAYERS

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Estimated Market Value</u>	<u>Rank</u>	<u>% of Market Value</u>
Minnesota Power	Electric utility	130,646,500	1	2.21%
Simon Property, Inc.	Shopping mall	52,705,900	2	0.89%
Essentia Health	Healthcare / hospital	46,159,500	3	0.78%
Wisconsin Central LTD	Railway	35,080,100	4	0.59%
Sherman Associates	Real estate development	22,971,400	5	0.39%
Burlington Northern	Railroad	20,069,900	6	0.34%
Hall Equities Group	Real estate development	19,337,900	7	0.33%
NewPage (StoraEnso)	Paper mill	18,009,100	8	0.31%
IRET Properties	Property management	15,589,800	9	0.26%
Miner's, Inc.	Grocery wholesaler	15,379,800	10	0.26%
		375,949,900		6.36%

# CITY OF DULUTH, MINNESOTA

## OPERATING INDICATORS BY FUNCTION

	2012	2013	2014	2015	2016
<b>Police</b>					
Criminal offences	9,924	10,828	9,472	10,262	10,447
Cleared by arrest	3,785	4,473	4,070	4,081	4,062
Traffic violations	9,499	11,152	9,307	8,525	6,819
Parking violations	46,492	51,361	55,097	50,647	55,226
<b>Fire</b>					
Number of calls answered	9,587	10,816	11,114	12,231	12,799
Number of inspections conducted	1,200	1,200	1,200	1,200	1,200
<b>Public works</b>					
Construction permits:					
Permits issued	2,325	2,054	2,030	1,896	2,085
Estimated cost of construction during year	\$ 104,841,877	\$ 137,097,967	\$ 182,409,369	\$ 160,884,495	\$ 108,815,274
<b>Culture and recreation</b>					
<b>Parks and recreation department</b>					
Participation in special events	18,129	40,045	30,749	23,122	49,125
Participation in recreation	35,681	27,393	28,304	22,586	31,555
Zoo regular customers	71,842	58,306	65,270	64,071	76,316
<b>Library</b>					
Registered borrowers	50,171	50,491	48,147	47,086	45,424
Items in collection*	457,999	467,050	456,753	444,790	435,385
Items loaned	953,270	959,432	923,063	927,389	848,293
Library visits	460,918	484,917	492,106	474,982	461,403
Internet uses	89,070	106,662	118,825	109,965	92,656
Reference/research questions answered**	90,155	84,838	89,232	77,896	59,321
<b>Water</b>					
Meters in service	28,082	28,051	28,131	28,134	28,134
Average number of gallons treated per month	468,170,000	433,795,000	433,676,667	431,616,667	415,642,500
Water pumped - million cubic feet	756.1	695.9	695.7	692.4	666.8
Water sold - million cubic feet	644.4	606.0	591.0	589.8	565.6
Daily average consumption in gallons	13,206,643	12,418,716	14,257,863	14,190,136	11,590,274
<b>Gas</b>					
Meters in service	27,542	27,452	26,585	26,896	28,540
MMBTU sold	4,528,009	5,355,988	5,679,683	4,885,371	4,770,804
<b>Sewer</b>					
Number of service connections	27,250	27,956	27,956	27,963	27,985
Daily average treatment in gallons	12,137,000	12,843,000	14,257,000	13,000,530	13,729,690
<b>Stormwater</b>					
Cleaning storm sewer pipe (in feet)	230,165	31,658	2,700	3,330	20,017
<b>Steam District #1</b>					
Steam sold (in 1,000 lbs)	379,257	394,762	300,669	332,830	313,408
<b>Golf</b>					
Season passes	803	695	644	795	731
Daily tickets	35,121	31,401	28,860	46,700	38,894
Carts	14,751	14,019	15,056	42,606	39,846
Rounds played	84,740	63,196	60,172	81,082	75,544

## CAPITAL ASSETS BY FUNCTION

	2012	2013	2014	2015	2016
<b>Police</b>					
Patrol units	93	93	93	93	97
<b>Fire</b>					
Fire stations	8	8	8	8	8
<b>Public works</b>					
<b>Miles of streets and alleys:</b>					
Miles of streets - paved	470.43	470.49	472.51	473.80	475.77
Miles of streets - unpaved	48.02	47.96	47.96	47.96	47.96
Miles of sidewalk	409.90	410.98	410.98	410.98	411.08
<b>Number of street lights:</b>					
Ornamental lamps (no. of bulbs)	3,930	3,930	3,930	3,930	3,940
Overhead street lamps	3,665	3,665	3,665	3,665	3,665
<b>Culture and recreation</b>					
<b>Parks and recreation department</b>					
Number of parks	128	128	128	128	129
Park acreage	12,000	12,000	12,000	12,000	12,000
Number of ski hills	2	2	2	2	2
Number of municipal tennis courts	17	17	19	19	17
Community clubs/field houses operate	21	21	19	19	19
Number of athletic fields	57	57	57	57	48
Number of hiking trails	14	14	14	14	14
<b>Library department</b>					
Libraries/branches	3	3	3	3	3
<b>Water</b>					
Miles of water mains	426.74	428.30	429.50	433.40	428.30
Number of hydrants	2,597	2,671	2,677	2,688	2,699
Maximum daily capacity of plant in gallo	32,000,000	32,000,000	32,000,000	32,000,000	32,000,000
<b>Gas</b>					
Miles of gas mains	520.00	527.00	534.70	534.70	538.20
<b>Sewer</b>					
Miles of sanitary sewers	406.20	398.00	402.00	395.30	397.60
<b>Stormwater</b>					
Miles of storm sewers	431.00	443.00	435.00	398.07	404.56
<b>Steam District #1</b>					
Miles of line	11.00	11.00	11.00	11.00	11.00
<b>Golf</b>					
Number of municipal golf courses	2	2	2	2	2

# GLOSSARY OF TERMS

## **Accrual Basis of Accounting**

Recording revenues and expenses when they occur, regardless of the timing of related cash flow.

## **Appropriation**

City Council authorization permitting the City to incur obligations and expend resources during the fiscal year.

## **ARRA- American Recovery and Reinvestment Act**

A federal economic stimulus package

## **Assessed Valuation**

A value set upon residential, commercial or industrial properties by the County Assessor as a basis for levying property taxes.

## **Bond**

A legal document stating the face value (principal amount) will be repaid on the date of maturity, plus interest. Bonds are primarily for financing capital projects or equipment.

## **Budget**

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

## **Budget Basis**

The basis of accounting used to estimate financing sources and uses in the budget. General Governmental funds are prepared on a modified accrual basis. Enterprise funds are prepared on a GAAP basis.

## **Budgetary Control**

The management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

## **Comprehensive Annual Financial Report (CAFR)**

A government financial statement that provides a thorough and detailed presentation of the government's financial condition.

## **Capital Budget**

The appropriation of bonds or operating revenue for improvements to facilities and other infrastructure.

## **Capital Improvements**

Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

## **Capital Outlay**

The expenditure for small equipment or improvements of a miscellaneous or nonrecurring nature funded from current period resources and not included in the Capital Program.

## **Capital Projects Fund**

A governmental fund used to account for financial resources to be used for the acquisition or construction of major capital facilities or other improvements (other than those financed by a proprietary fund).

## **Charges for Services**

Revenues collected as reimbursement for services provided to the public or to some other program/fund in the City.

## **City Authority**

An organizational unit created by the Legislature of the State of Minnesota to administer and maintain the operations of the Duluth Airport, Duluth Entertainment and Convention Center, Transit Authority, and Spirit Mountain Recreation Area. Each is considered a component unit of the City of Duluth reporting entity, and is accounted for as an enterprise fund.

**Collective Bargaining Agreement**

A legal contract between the employer and a verified representative of a recognized bargaining unit for specific terms and conditions of employment (e.g. hours, working conditions, salary, fringe benefits, and matters affecting health and safety of employees).

**Component Unit**

A legally separate organization for which the elected officials of a primary government are financially accountable. For Duluth, the component units are the authorities.

**Contractual Services**

Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include maintenance agreements and professional consulting services.

**Cured in Place Pipe (CIPP)**

Trenchless rehabilitation method to repair existing pipelines.

**Debt Service**

Payment of principal and interest on specific obligations which result from the issuance of bonds.

**Debt Service Fund**

A governmental fund type used to account for the accumulation of resources for, and the payment of, general long term debt principal and interest.

**Deficit**

An excess of expenditures or expenses over revenues (resources) during an accounting period.

**Department**

Major unit of organization comprised of subunits named divisions. Organizational elements responsible for administration and supervision of various service delivery activities.

**Depreciation**

The portion of the cost of a fixed asset which is charged as an expense during a particular period. In accounting for and recognizing depreciation, the cost of a fixed asset is prorated over the estimated useful life of such an asset, and each period is charged with a share of such cost.

**Distinguished Budget Presentation Awards Program**

A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

**Division**

Organizational subunits of a department which are responsible for the administration and supervision of various service delivery activities.

**Employee Benefits**

Those costs incurred by the employer for pension contributions and the provision of health, dental and term insurance for all covered personnel.

**Encumbrance**

The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

**Enterprise Fund**

Funds which account for operations that are financed and managed in a manner similar to private business enterprises-- where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges.

**Expenditure**

The payment of cash on the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

**Expense**

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

**Financial Policy**

The City's policies with respect to revenues, spending, and debt management as these related to government services, programs, and capital investments. Financial policies provide an agreed-upon set of principles for the planning and programming of the budget and its funding.

**Fiscal Year**

Twelve-month period to which the operating budget applies; January 1 to December 31 in the case of the City.

**Fixed Assets**

Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

**Franchise Tax**

A fee charged by a governmental unit to a private business for the privileges of using a public right-of-way to generate revenue through its operations.

**Full Faith and Credit**

A pledge of a government's taxing power to repay debt obligations.

**Full Time Equivalent (FTE)**

A job classification created by Civil Service, authorized through the budgetary process, and filled in accordance with Civil Service rules and Chapter 13 of the Duluth City Code.

**Function**

Description of a division's operation relative to routine activities performed to accomplish established objectives and goals.

**Fund**

A fiscal and accounting entity, which is created and segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The major funds are the General Operating; Water; Gas; Steam; Sewer; Golf/Zoo funds; Debt Service funds; Special Revenue funds; Capital Projects funds; and Internal Service funds.

**Fund Balance**

The excess of the assets of a fund over its liabilities, which may include reserves and designations.

**Generally Accepted Accounting Principles (GAAP)**

Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.

**General Fund**

A governmental fund type which serves as the chief operating fund of the City to account for all financial resources except those required to be accounted for in another fund type.

**General Obligation Bond (G.O.)**

This bond is backed by the full faith, credit, and taxing power of the government.

**Goal**

A statement of broad direction, purpose or intent based on the needs of the community. A goal is a general and timeless.

**Governmental Accounting Standards Board (GASB)**

The organization that establishes generally accepted accounting principles (GAAP) for states and local governments.

**Governmental Funds**

Fund type which includes general fund, special revenue funds, permanent improvement funds, debt service funds and special assessment funds.

**Government Finance Officers Association (GFOA)**

The professional association of Finance professionals in the public sector.

**Grants**

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantee.

**HUD**

U.S. Department of Housing and Development, a federal government agency.

**Infrastructure**

The physical assets of a government (e.g. streets, water, sewer, public buildings, and parks).

**Intergovernmental Revenue**

Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

**Internal Service Funds**

Proprietary fund type used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government or component unit, or to other governments on a cost reimbursement basis.

**Internal Service Charges**

The charges to user departments for internal services provided by another government agency, such as fleet and insurance.

**Interfund Transfer**

Flows of assets (such as cash or goods) between funds and blended component units of the primary government without equivalent flows of assets in return and without a requirement for repayment.

**Levy**

To impose taxes for the support of government activities.

**Local Government Aid – LGA**

A general purpose aid that can be used for any lawful expenditure. It is also intended to be used for property tax relief. The Department of Revenue certifies LGA for cities based on current LGA statutes, including any changes enacted during the most recent legislative session.

**Long-Term Debt**

Debt with a maturity of more than one year after the date of issuance.

**Materials and Supplies**

Expendable materials and operating supplies necessary to conduct departmental operations.

**Modified Accrual Basis of Accounting**

Recognizes expenses in the accounting period in which they are incurred and measurable. Recognizes revenues in the accounting period in which they are measurable and available.

**Municipal State Aid (MSA)**

Refers to gas tax dollars distributed by the State to local governments for use on State designated Municipal State Aid streets - usually major thoroughfares.

**Object of Expenditure**

An expenditure classification, referring to the lowest and most detailed level of classification, such as permanent employee wages, over-time, electricity, office supplies, and paving materials.

**Objective**

Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

**Obligations**

Amounts which a government may be legally required to meet out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

**Operating Expenses**

The cost for materials, services, and supplies required for a department to operate.

**Operating Revenue**

Funds that the City receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

**Ordinance**

A formal legislative enactment by the City Council. It has the full force and effect of law within City boundaries unless pre-empted by a higher form of law. An Ordinance has a higher legal standing than a Resolution.

**Other Post-Employment Benefits (OPEB)**

Post-employment benefits other than pension benefits that include post-employment healthcare benefits, regardless of the type of plan that provides them.

**Payment In Lieu of Taxes (PILOT)**

Payment that a property owner not subject to taxation makes to a government to compensate it for services that the property owner receives that normally are financed through property taxes.

**Performance Measure**

Quantitative and/or qualitative measures of work performed related to specific departmental or program objectives.

**Personal Services**

Those costs associated with the salaries and wages of permanent and temporary employees.

**Proprietary Funds**

Fund type which includes the enterprise funds of Public Service, Public Utility and City Authorities.

**Public Employees Retirement Association (PERA)**

State-wide pension plan, to which a majority of the City's employees belong.

**Public Service Fund**

A fund established to account for the operation and maintenance of the City of Duluth's sanitary and storm sewer collection system.

**Public Utility Fund**

A fund established to account for the operations of the Department of Water and Gas, Street Light Utility and the Duluth Steam Cooperative Association which provide water, gas, street lighting, traffic signals and steam utility services, respectively, to the citizens of Duluth.

**Purpose**

A broad statement of the goals, in terms of meeting public service needs, that a department is organized to meet.

**Resolution**

A special order of the City council which has a lower legal standing than an ordinance.

**Revenue**

Sources of income financing the operations of government.

**Revenue Bond**

Revenues from a specific enterprise or project back this type of bond. An example would be a utility improvement or project.

**Revenue Source**

A revenue classification that designates the origination or type of funds received.

**Special Assessment**

Compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

**Special Revenue Fund**

Funds which account for specific financial resources that is restricted to expenditures for specified purposes.

**Tax Capacity**

A valuation placed upon the market value of the real and personal property in the City in a manner prescribed by state law as the basis for levying property taxes. The tax capacity reflects a percentage of the property's assessed value. The market value of a property is multiplied by the appropriate tax capacity classification rate to arrive at its "tax capacity".

**Tax Capacity Classification Rate**

The tax rates applied to tax capacities within the City. The tax capacity rate will vary depending on the property classification (homestead, seasonal-recreation, rental, non-homestead, commercial/industrial, vacant). The lowest rate is for homestead property, with significantly higher rates for seasonal-recreation, vacant, and commercial/industrial property.

**Tax Levy**

The sum to be raised by general taxation, for specific purposes, as delineated in the Tax Levy Ordinance upon the taxable properties within the jurisdiction and corporate limits of the City.

**Taxes**

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. Taxes for this city include property, sales, tourism, and charitable gambling.

**Truth in Taxation (TNT)**

A set of procedures adopted by the 1989 Minnesota Legislature intended to improve local accountability in the adoption of the budget and property tax levy of local government.

**Unassigned Fund Balance**

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

**User Charges**

The payment of a fee for direct receipt of a public service by the party who benefits from the service.